2. Henry Mann, deceased.

A surgical bill on this case had been submitted at a figure higher than O.P.S. fee schedule. The Committee asked that the bill be returned to the attending surgeon calling his attention to that portion of the fee schedule which states, "In unusual cases requiring extended daily visits or in cases with unusual complications, a special report should accompany statement in order that regular fees may be adjusted on an equitable basis".

(Signed) C. P. WILSON
C. P. Wilson, M.D.
Chairman

Plaintiff's Exhibit 830

5755 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting May 27, 1946

6:30 P.M. at the Campbell Court Hotel

Attending: Drs. W. H. Hollenbeck, Harry B. Moore, D. S. Swart, Paul Bailey, R. H. Swinney.

Members of O.P.S. Administrative Staff present: C. W. Kincaid and William Sundberg.

In the absence of Dr. C. P. Wilson, Dr. W. H. Hollenbeck was named Temporary Chairman for the meeting.

The minutes of the Committee's April 22, 1946 meeting were read and approved.

The O.P.S. Management reported to the Committee on the following items:

a. Action of the O.P.S. Board of Directors increasing the premium rate from two dollars and fifty cents to three dollars per month on all contracts written effective June 1, 1946 and thereafter.

b. That comparative studies of hospital costs in Multnomah County were being continued.

The Committee considered a letter from the Industrial Health Foundation proposing that charges be made to O.P.S. for services rendered to O.P.S. subscribers by the Foundation's First Aid Station at 210-A N.E. Oregon Street, Portland, Oregon. After some discussion a motion was passed declining the proposal contained in the Founda-

tion's letter, and the Management was instructed to advise the Foundation's Secretary of the Committee's decision.

The Committee considered letters from Drs. John E. Tuhy and Bruce L. Titus concerning the O.P.S. fee for a bronchoscopy where the removal of a foreign body is involved. Both doctors indicated in their correspondence that the fee for this type of service was comparatively lower than other O.P.S. fees. The Committee instructed the O.P.S. Management to advise Drs. Tuhy and Titus that the revision of this fee would be given proper consideration along with the general review of the fee schedule contemplated as of September 1, 1946.

A request for coverage under O. P. S. by the School Teachers' Union was presented to the Committee. After discussion a motion was passed authorizing the O.P.S. Management to offer the standard coverage contract to the School Teachers' Group only if 75% or more participation could be secured. The Committee further requested the O. P. S. Management to make available to it any prior experience which the Multnomah Medical Service Bureau may have had with contracts of this type. The Management was further instructed to consider the possibility of writing a "limited" coverage for the School Teachers' Group in the event the writing of a standard contract could not be accomplished in accordance with the 75% participation requirement.

5756 The Committee postponed action on a proposal that the families of O.P.S. cooperating physicians be considered eligible for the family coverage plan.

Claims:

a. John Bostrom—Employed Acme Metal Works.

Dr. E. F. Martinson appeared before the Committee to discuss the fee allowed him for surgery in this case. After discussion, it was agreed that the fee formerly established by the Committee should be allowed to stand.

b. The O.P.S. Management asked for a policy determination covering cases where two or more cooperating O.P.S. physicians and surgeons attend an O.P.S. subscriber concurrently. The Committee was of the opinion that, in the absence of reports from the attending physicians indicating unusual circumstances, scheduled surgical fees (flat) should cover the services of all physicians attending the patient. Medical cases involving concurrent care by two

or more physicians will be considered by the Committee on their individual merits.

c. Action on the Management's request for the establishment of a fee to cover non-union fracture cases was postponed until the Committee's next regular meeting.

The two discussion subjects, (1) "Extension of O.P.S. Coverage to Individuals", and (2) "Adequate Medical Care under a Prepaid Plan" were held over to the Committee's next regular meeting.

(Signed) W. H. HOLLENBECK
W. H. Hollenbeck
Temporary Chairman

Plaintiff's Exhibit 831

5757 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting July 1, 1946

6:30 P.M. at the Campbell Court Hotel

Attending: Drs. C. P. Wilson, Chairman, W. H. Hollenbeck, Harry B. Moore, D. S. Swart, R. H. Swinney and C. Elmer Carlson.

Members of O.P.S. Administrative Staff Present: Joseph E. Harvey, Jr., and C. W. Kincaid.

Minutes of the Committee's May 27, 1946 meeting were read and approved.

Financial statements covering O. P. S. operations in Multnomah County during the months of March, April and May, 1946 were studied, discussed and ordered filed.

A motion was carried requesting the O.P.S. Management to prepare an annual report of O.P.S. operations in Multnomah County for presentation to the Committee at a regular meeting. The present report is to cover activities for the fiscal year ending June 30, 1946.

A three months' study of O.P.S. hospital expenses in Multnomah County was reviewed.

Dr. F. E. Rieke explained to the Committee the operation of the Industrial Health Foundation's First Aid Dispensary at 210A N. E. Oregon Street. A Sub-Committee composed of Drs. W. H. Hollenbeck, C. Elmer Carlson and Harry B. Moore was appointed by the Chairman to study the relationship of the Dispensary to Oregon Physicians'

Service, and report to the Committee at its next regular meeting. This Committee also was instructed to review all contracts in which nurses conducted a First Aid service.

The Committee noted with approval that negotiations are being carried on between the Oregon State Medical Society and the Oregon State Association of Hospitals for the purpose of unifying the operations of Oregon Physicians, Service and the Northwest Hospital Service Plan.

Following discussion of the O.P.S.-Veterans Administration Program, the Committee unanimously moved to advise the Council of the Multnomah County Medical Society that the O.P.S.-Veterans Administration Program, as it is now being operated, is one of the most asinine things the Committee has encountered.

The Committee moved to recommend to the Council of the Multnomah County Medical Society that informational exhibits designed to acquaint the public with O.P.S. be sponsored by the Society at the Multnomah County Fair, and to suggest that the State Medical Society be asked to sponsor similar exhibits at the State Fair and other selected County Fairs. It was implied that the expense and type of exhibit be arranged through Oregon Physicians' Service.

Plaintiff's Exhibit 833

5759 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting October 28, 1946

6:30 P.M. at the Campbell Court Hotel

Attending: Drs. C. P. Wilson, Chairman, W. H. Hollenbeck, D. S. Swart, C. Elmer Carlson, Harry B. Moore; O.P.S. Administrative Staff present; C. W. Kincaid, T. H. Hammond and Joseph E. Harvey, Jr.

Minutes of the Committee's August 21, 1946 meeting were read and approved.

Minutes of a joint O.P.S. Board of Directors-Multnomah County Supervisory Committee meeting held at Gearhart, Oregon on September 25, 1946 were read and ordered presented to the Council of the Multnomah County Medical Society at its meeting on November 4, 1946.

With the consent of the Committee the Chairman ordered the following pending matters of business held over to the Committee's next meeting:

a. Report of a sub-committee to study the status of industrial nurses in O.P.S. First Aid Stations.

b. Consideration of a report of a special Multnomah County Council Committee appointed to determine an acceptable fee schedule and relationship between specialists in diagnosis and internal medicine and O.P.S.

c. Requests for changes in fee schedule by a group of cooperating Dermatologists and Urologists.

The Chairman then opened the meeting for general discussion of the Gearhart meeting and the O.P.S. Multnomah County Physician-Stockholder's meeting held at the Medical-Dental Auditorium on October 14, 1946. The Committee, after considerable discussion, voted three to two in favor of adding to its prior recommendation to the Council of the Multnomah County Medical Society (the prior recommendation was made jointly with the O.P.S. Board of Directors at a special meeting at Gearhart, Oregon on September 25, 1946) by recommending the added provision that all Multnomah County O.P.S. contracts be placed on a standard rate of three dollars and fifty cents ($3.50), provided, however, that such contracts as have shown favorable cost experience in the past shall be given an experience rating reduction in subscriber premiums to three dollars ($3.00) per month. This recomendation was adopted by vote, not withstanding the recommendation of the O.P.S. Management that all Multnomah County contracts be initially established at the state-wide uniform rate of three dollars; but that accounts which had shown poor financial experience be penalized by the three dollars and fifty cent per month per subscriber rate, or by requiring "poor risk" contracts to pay the cost of the first two office visits in any one case.

Upon considering the problem of income level restrictions upon membership, the Committee voted to refer this problem to the Council of the Multnomah County Medical Society for consideration. This action was based on the consideration that, while a majority of the members
5760 favored the principle of income limitation, competitive factors and the relatively small proportion of "higher income" members did not warrant a definite Committee recommendation for limitation by virtue of income level.

The Management then reviewed the Multnomah County Division's financial experience for the months of July and August, 1946.

The Management reported that some incidents had been called to its attention wherein cooperating O.P.S. physicians and surgeons in Multnomah County had refused to accept O.P.S. requisitions and/or had made an additional charge to the patients, over and above the fees represented by the requisitions. The Committee arranged for its members to speak at forthcoming staff meetings of the various Portland hospitals for the purpose of explaining to cooperating physicians and surgeons the necessity for full cooperation with O.P.S. during the present critical period. The following tentative assignments were made by the Chairman:

Good Samaritan Hospital	Dr. Hollenbeck or Dr. Wilson
Portland Sanitarium	Dr. H. B. Moore
Hahnemann	Dr. D. S. Smart
Coffey	
Providence	
Emanuel	To be assigned
Vanport City	
St. Vincents	

Claims:

1. After examining several recent hospital bills incurred by O.P.S. subscribers the Committee instructed Management to forward copies of the hospital bills to the attending physicians. It was the Committee's opinion that this procedure would tend to keep cooperating physicians and surgeons posted on hospital costs.

2. The Committee authorized a fee of three dollars ($3.00) per treatment for penicillin inhalations.

3. In the case of Virginia Whitcomb, the Committee denied liability for surgical care of a cataract, subject to clarification by legal counsel.

4. In the case of M. P. Hicks the Committee ordered the patient to be sent to a consultant designated by O.P.S. for the purpose of determining liability.

5. In the case of R. E. Hanson, the Committee dicted payment for closure of a rectal fistula, in accordance with the O.P.S. fee schedule, fifty dollars ($50.00).

6. In the case of Clara Leis the Committee declined to accept responsibility for surgical care of a left eye cataract on the ground that the condition predated her membership in the plan.

5761

7. In the case of M. Lipanovic the Committee requested additional information concerning the administration of physiotherapy by a cooperating psychiatrist before determining the fee to be allowed.

8. In the case of L. Sarver the Committee instructed Management to contact the attending surgeon for additional information inasmuch as the amount billed was considerably in excess of the O.P.S. schedule.

9. In the case of O. Campbell the Committee approved full schedule fees for a thyroidectomy and hysterectomy.

10. In the case of Mason DeNeffe the Committee instructed Management to explain to the attending physicians that flat fees apply in fracture and surgical cases, and that where two or more physicians care for the subscriber the flat fee must be divided according to arrangement among the attending physicians.

11. In the case of R. J. Dove the Committee affirmed Management's initial denial of responsibility for medical and hospital care in connection with a sub-acute bacterial endocarditis. The Management, however, was instructed to contact the attending physician and suggest that his opinion, if different from that of the Committee, be submitted for consideration at the next regular meeting.

12. In the case of Mary Dooley the Committee denied the attending physician's request for an additional allowance over and above the usual fee for an appendectomy.

13. Several additional claims matters were ordered held over to the Committee's next regular meeting.

There being no further business, the meeting was adjourned.

(Signed) C. P. Wilson
C. P. Wilson, M.D., Chairman

Plaintiff's Exhibit 834

5762

SPECIAL MEETING
MULTNOMAH COUNTY
SUPERVISORY COMMITTEE

Tuesday, November 19, 1946

12:15 P.M., Campbell Court Hotel

Committee Members Present: Drs. C. P. Wilson, Chairman, R. H. Swinney, W. H. Hollenbeck, Harry B. Moore and D. S. Swart. O. P. S. Administrative Personnel: W. C. Marshall, J. E. Harvey and William Sundberg.

Mr. William A. Sundberg presented for the Committee's consideration an actuarial study of the cost experience of Multnomah County O.P.S. contracts. After considerable discussion and study of the data presented, the Committee unanimously approved renewal of all Multnomah County O.P.S. contracts at the standard level of three dollars ($3.00) per subscriber per month. The Committee further instructed the O.P.S. Management to consider individually those contracts showing a continuously poor cost experience and, during the year 1947, to adjust the contract rates for such accounts as were deemed necessary to insure satisfactory future cost experience.

The Committee ordered noted in its records that this action pertaining to O.P.S. contract rates in Multnomah County was taken under authorization granted it by the Council of the Multnomah County Medical Society on November 4, 1946, when the Council approved the joint Multnomah County Supervisory Committee-O.P.S. Board of Directors' recommendations made at Gearhart on September 25, 1946.

The Committee authorized the offering of two alternate coverage plans to a group of teachers at Benson Polytechnic School, (1) a surgical hospital plan, (2) a standard full coverage plan at the rate of three dollars and fifty cents ($3.50) per subscriber per month.

There being no further business the meeting was adjourned.

Signed

C. P. Wilson, M.D.,
Chairman

Plaintiff's Exhibit 835

5763 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting December 2, 1946

6:30 P.M. at the Campbell Court Hotel

Attending: Drs. C. P. Wilson, Chairman, R. H. Swinney, C. Elmer Carlson, W. H. Hollenbeck and D. S. Swart. O.P.S. Administrative Personnel Present: J. E. Harvey, C. W. Kincaid and W. A. Sundberg.

Minutes of the October 28, 1946 and November 19, 1946 meetings were read and approved.

The Committee recommended that inasmuch as O.P.S. policy with respect to the use of industrial nurses in first aid stations was not strictly a Multnomah County problem, the matter be referred to the O.P.S. Board of Directors.

Mr. W. A. Sundberg reviewed the financial experience of the Multnomah County O.P.S. Division for the month of September, 1946.

Management reported that the 1947 renewals of Multnomah County O.P.S. contracts were progressing satisfactorily, and that to date, no major objections to the new rate schedule have been encountered.

The Committee, by motion duly carried, voted to terminate the existing arrangement under which service charges have been paid the Doctors' Official Telephone Exchange by O.P.S.

After considering requests from several groups of cooperating doctors for changes in the O.P.S. fee schedule, the Committee instructed Management to ask each doctor or group of doctors who had requested a change, to bear with the Committee until such time as their requests could be given full consideration. The Committee was of the opinion that the financial condition of the O.P.S. Multnomah County Division should be given an opportunity to adjust and balance itself under the 1947 rate structure before any specific changes are considered. The Committee recommends to the Council of the Multnomah County Medical Society that the matter of inequities in the existing O.P.S. fee schedule be studied under the Council's direction.

By motion duly carried the Committee voted to establish the practice of inviting several cooperating doctors

to attend each Committee meeting. The motion was carried subject to approval of the 1947 Supervisory Committee.

The Committee approved a plan for compensating cooperating doctors for their services to O.P.S. subscribers on a monthly rather than quarterly basis—the plan to be installed as soon as administratively feasible.

Drs. C. P. Wilson and C. Elmer Carlson asked to have written into the record their opposition to a motion duly made, seconded and carried at a special meeting of the Supervisory Committee on November 19, 1946; by the terms of which Multnomah County O.P.S. contracts were ordered renewed for the year 1947 at the standard rate level of $3.00 per subscriber per month, and carrying an instruction to the O.P.S. Management to consider individually those contracts showing a continually poor cost experience and, during the year 1947, to adjust the contract rates for such accounts to insure satisfactory future cost experience.

The Committee recommends to the Council that semi-annual meetings of Multnomah County O.P.S. physician-stockholders be held.

Plaintiff's Exhibit 836

5765

SPECIAL MEETING
O.P.S. SUPERVISORY COMMITTEE
FOR MULTNOMAH COUNTY

February 10, 1947 6:30 P.M., Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, James W. Wiley, B. O. Woods, A. M. Boyden, B. L. Titus. O.P.S. Administrative Personnel Present: Joseph E. Harvey, Jr. and C. W. Kincaid. Dr. R. B. Evans.

Minutes of the Committee's January 27, 1947 meeting were read and approved.

Financial reports covering operations of the O.P.S. Multnomah County Division for the months of October, November and December, 1946 were presented. The Committee was advised that payments to cooperating physicians in Multnomah County for the fourth quarter of 1946 could be made at 85% of fee schedule. Concurrently with the fourth quarter payments adjustments will be made withholding amounts necessary to establish the 1947 statutory reserve, and repaying the balance of the 1946 re-

serve. It was noted that the amount of the reserve required for the Multnomah County Division of O.P.S. was substantially less for 1947 than for 1946; the reduction being due to the termination of war contracts.

At the Committee's invitation, Dr. R. B. Evans was present to discuss some of his O.P.S. cases. Following the discussion, the Committee ordered the bills under consideration reduced by one-half and paid at the going percentage.

Copies of correspondence between the Council of the Oregon State Medical Society and the O.P.S. Board of Directors pertaining to upward revision of the O.P.S. fee schedule were read. The Committee asked that suggestions concerning fee schedule changes which had come to its attention during recent months be made available to the Board of Directors.

The Committee, following a policy established by the Multnomah Medical Service Bureau, authorized O.P.S. to accept as members of its Pay Office groups such self-supporting nurses, technicians and medical and dental office personnel as may apply for coverage.

The Committee went on record as favoring the principle that an O.P.S. cooperating physician should not limit his type of practice insofar as O.P.S. cases were concerned, to a greater extent than his private practice. Dr. R. H. Swinney was asked by the Committee to discuss this matter with Dr. W. C. Martin.

Dr. Milton deV. Brunkow was invited to attend the Committee's next regular meeting.

5766 The Committee instructed O.P.S. Management to refer to it all requests by cooperating physicians for information concerning the volume of O.P.S. cases handled by member doctors or groups of member doctors.

The Committee established the principle that the scheduled $10.00 consultation fee should be applied only to those referred cases wherein the patient is sent back to his regular doctor for treatment. Where the referral is made for the purpose of additional diagnosis and treatment, the usual examination and treatment fees apply.

Claims:

1. S. Jorgenson, Olds & King Dr. R. L. Johnsrud

The Committee declined to allow fees for two complete physical examinations done within thirty days; the fee for the second examination being reduced to the regular office call charge.

2. Lyle W. Hyde, Bemis Bag Company

Dr. R. G. Begg

The Committee asked Dr. Begg to submit a further itemization of his $150.00 bill.

3. Ben Thompson, Pay Office Dr. H. R. Lucas

The Committee asked Dr. Lucas for a further description of the ear surgery for which he billed $100.00.

4. E. L. Peterson, Miller Mercantile Co.

Dr. G. A. Woodruff

The Committee was of the opinion that based on the medical history available to it, Mrs. Peterson's illness during August and September, 1946 originated prior to her membership in O.P.S. and should be considered a preexisting condition.

5. Faye Lomas Dr. R. M. Dodson

The Committee ordered Dr. Dodson's bill in the amount of $250.00 paid at $150.00.

Signed

R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 837

5767 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting April 28, 1947 6:30 P.M. at the Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, A. M. Boydon, J. W. Wiley.

O.P.S. Administrative Personnel were present.

Minutes of the Committee's meetings of March 10, 17, 24 and April 14, 1947 were read and approved.

Mr. W. A. Sundberg, O.P.S. chief accountant reviewed a financial statement for the Multnomah County Division of O.P.S. covering March, 1947.

Dr. J. W. Wiley was asked to discuss the matter of fees for radium therapy with several cooperating physicians, and to make a report to the Committee at a luncheon meet-

ing to be held Monday, May 12, 1947. The purpose of Dr. Wiley's report will be to include radium therapy fees in the Committee's recommendations for changes in the present O.P.S. fee schedule.

Dr. H. A. Dickel, representing the psychiatrists practicing in Multnomah County was present to discuss O.P.S. liability for psychiatric cases, and fees for this type of therapy. It was the consensus that the relationship of psychiatrists cooperating with Oregon Physicians' Service in Multnomah County should be changed in the following respects:

a. Psychiatrists should accept O.P.S. cases for treatment, only upon referral by another cooperating physician.

b. A complete history of the case should be submitted to O.P.S. before treatment is commenced—to give the O.P.S. office a chance to determine whether or not the patient is eligible for such treatment at the expense of the service plan.

c. If possible, a flat fee arrangement for the treatment of anxiety tension state cases should be worked out.

Dr. Dickel agreed to discuss these matters with his colleagues and to report back to the Supervisory Committee prior to the next regular meeting.

The Committee authorized, on an experimental basis, two changes in procedure for handling O.P.S. cases:

a. Elimination of initial case reports on cases amounting to less than $10.00 and

b. Discontinuance of the policy of paying a "first office visit" on cases that do not require examination to determine that they are excluded from coverage.

5768 The Committee, after considering an analysis of the Medical Clinics' bills for the calendar year, 1946, asked that the O.P.S. management prepare similar analyses on at least five general practice offices.

The Committee had for consideration a letter from Dr. L. O. Carey, Chief Medical Officer for the Veterans Administration Regional Office in Portland, Oregon, asking Oregon Physicians' Service, in connection with the Veterans' Out-Patient Program, to certify its cooperating specialists in accordance with standards set up by the Veterans Administration.

The Committee declined to take any action on this request, and asked that the Veterans Administration' request be referred to the Council of the Multnomah County Medical Society; and that the Council be advised of the Committee's previous action concerning the listing of specialists on the O.P.S. published list of cooperating physicians. Under date of March 25, 1946 the Committee adopted the following recommendation, which was subsequently approved by the Council of the Multnomah County Medical Society and the Board of Directors of Oregon Physicians' Service:

> "Any O.P.S. cooperating physician and surgeon who limits his practice to a specialty field recognized by the American Medical Association, and is so listed in the A.M.A. directory, may upon request, be listed as a specialist on the O.P.S. published list of cooperating physicians and surgeons."

Claims:

1. B. French: Dr. J. Otto George.

The Committee authorized payment of Dr. George's $100.00 bill for a tendon suture, in the amount of $50.00, the O.P.S. scheduled fee.

2. Katherine Pomeroy; Dr. J. Otto George.

The Committee affirmed its prior decision allowing the O.P.S. scheduled fee of $60.00 for a fracture of the right tibia; and asked the O.P.S. management to explain to Dr. George that all cooperating physicians and surgeons bill in accordance with the published fee schedule.

3. H. Nicholson; Multnomah County Hospital

After considering a letter from Dr. Charles N. Holman, the Committee authorized payment of Miss Nicholson's hospital bill in the amount of $555.00. In the event the Council of the Multnomah County Society approves the Committee's recommendation that O.P.S. patients no longer be admitted to the Multnomah County Hospital, the O.P.S. management was instructed to so advise Dr. Holman.

4. Ella Foster; Dr. Ben Wade.

The Committee approved Dr. Wade's request for authorization to repair a rectocele at the expense of Oregon Physicians' Service.

5769 5. Charles P. Pilkington; Dr. P. L. Meacham.

The Committee authorized payment of Dr. Meacham's $115.00 bill for oral surgical procedures involving both maxilliary sinus. The Committee instructed O. P. S. management to communicate with Dr. Meacham and advise him that his bills, over a considerable period of time, have averaged considerably higher than those of other dental surgeons performing services for O.P.S. subscribers; and that the Committee respectfully requests him to cooperate in keeping future bills for O.P.S. cases more in line with the general averages.

6. Elsie May Johnson; Dr. W. C. Foster

The Committee, after reviewing the circumstances leading up to Dr. Foster's request to do an appendectomy and pelvic laparotomy at the expense of Oregon Physicians' Service, declined to assume responsibility for the proposed surgery.

7. William Apostolis; Dr. J. W. McCollom.

The Committee declined to authorize Dr. McCollom's requested fee of $250.00 for a cataract operation; and instructed to the O.P.S. management to advise Dr. McCollom that in accordance with his cooperating agreement, the regularly scheduled fee of $150.00 would be applicable.

8. J. Brice; Dr. W. F. Carter.

The Committee authorized payment of Dr. Carter's $150.00 bill for a lithotomy with removal of stone in the scheduled amount of $70.00.

9. May Alice Martin; Dr. John P. Trommald.

The Committee approved Dr. Trommald's request for a fee of $150.00 for the removal of a large neurofibroma from the upper peroneal nerve.

E. M. Vollbrecht; Dr. Guy R. McCutchan.

The Committee authorized payment of Dr. McCutchan's $150.00 bill for the care of an acute coronary occlusion, in the amount of $100.50.

11. Agnes Juretic, S. Lang, Steve Jelineo;	Dr. H. A. Dickel
C. R. Gederos;	Dr. Robert A. Coen
Ruth Hopfer;	Dr. Harry H. Dixon

The Committee authorized payment of bills in these cases on the basis of $4.00 per psychiatric treatment, with a maximum of $20.00 per week.

There being no further business the meeting was adjourned.

Signed R. H. SWINNEY
R. H. Swinney, M. D., Chairman

Plaintiff's Exhibit 838

5770 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting of May 26, 1947

Campbell Court Hotel, 6:30 P. M.

Attending: Drs. R. H. Swinney, Chairman J. W. Wiley, Allen M. Bolden, A. C. Kimberley and B. L. Titus. O.P.S. Administrative Personnel were also present.

Minutes of the Committee's April 28, 1947 meeting were read and approved. It was agreed that minutes of a special meeting held on May 12, 1947 be included in the minutes of the Committee's May 26, 1947 meeting.

MINUTES OF SPECIAL MEETING OF MAY 12, 1947

Attending: Drs. R. H. Swinney, B. L. Titus, J. W. Wiley and O.P.S. Adiministrative Personnel.

It was agreed by those present to revise the Committee's previous recommendation to the O.P.S. Board of Directors concerning x-ray and radium therapy fees. The revised recommendations for this type of therapy were as follows:

1. Superficial x-ray or radium therapy
   (One or more areas)
   $ 7.50 per treatment

2. Insertion or implantation of radium
   (Including D & C)
   35.00 plus $.02 per millegram hr.

3. Deep x-ray therapy
   10.00 per treatment

The O.P.S. management reviewed a financial statement for the Multnomah County Division of O.P.S. covering the month of April, 1947.

After studying the recommendations of the Oregon State Medical Society concerning the extension of O.P.S. coverage, the Supervisory Committee recommends to the the Council of the Multnomah County Society:

1. That the recommendation concerning coverage for small groups and their families be adopted in Multnomah County in the form approved by the House of Delegates.

2. That the recommendation concerning the offering of coverage to "employed individuals" and their families be adopted for Multnomah County as approved by the House of Delegates but with the following provisions; (1) that this type of coverage not be offered to any individual or family having a net taxable income of more than $6,000 per year; and (2) that cost accounting controls be maintained on this type of coverage and that premium rates be adjusted from year to year on an experience basis.

3. That the recommendation concerning the offering of O.P.S. coverage to "rural groups" be adopted as approved by the House of Delegates.

5771

Although not specifically included in the recommendations referred to it for study by the Council, the Committee approved the proposed change in the existing O.P.S. "Family Coverage" whereby physicians' services would be provided for medical cases requiring hospitalization. The Committee also recommends to the O.P.S. Board of Directors that the "Family Coverage" plan be amended to include doctor and hospital services for out-patient treatment when required for other than diagnostic purposes only.

The O.P.S. management reported that the Multnomah County Supervisory Committee's recommendations concerning revision of the fee schedule were being studied by the Board of Directors. The Committee, by unanimous vote, asked that the "Office Visit" section of the revised fee schedule be referred back to the Committee before being placed in effect in Multnomah County.

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Plaintiff's Exhibit 839

5772 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting — June 23, 1947
6:30 P. M., Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, A. M. Boyden, B. O. Woods, C. L. Booth, A. G. Kimberley, J. W. Wiley, Drs. John Raaf, R. Yorke Herren and B. P. Harpole were also present. O.P.S. Administrative Personnel present were W. A. Sundberg, T. H. Hammond, M. G. Haynes and Joseph E. Harvey, Jr.

Minutes of the Committee's May 12 and May 26, 1947 meetings were read and approved.

The O.P.S. management reviewed a financial statement covering the operation of the Multnomah County Division of Oregon Physicians' Service for the ten months July 1, 1946 through April 30, 1947.

After discussion with Drs. Raaf and Herren the Committee, by motion duly made and carried, voted to revise its recommendations to the O.P.S. Board of Directors concerning neurosurgical fees. The revised neurosurgical fee schedule is as follows:

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5773 After being advised that the O.P.S. Board of Directors had adopted its recommendations for revision of the O.P.S. fee schedule except for the "First Call" fee which the Board set at $4.00 in lieu of the recommended $5.00 fee, the Committee by motion duly made and carried voted to use the $5.00 "First Call" fee in the Multnomah County pool. This deviation is to be effective at such time as the revised schedule is made effective by the Board.

An analysis of the 1946 O.P.S. cases handled by the Bodine-Cantril Clinic and the Medical Clinic was studied by the Committee. The management was instructed to send copies of the analysis to the heads of these Clinics with the suggestion that it be studied and that representatives of the Clinics meet with the Committee at its next meeting to discuss problems made apparent by the analysis.

The Committee declined a request from Dr. Leo S. Lucas Poppe for authorization to hospitalize O.P.S. possible tu-

berculosis cases at the Northern Permanente Hospital in Vancouver, Washington. The Committee expressed its regrets to Dr. Poppe and asked the Chairman, Dr. R. H. Swinney, to personally discuss the Committee's attitude with him.

The Committee declined a request from Dr. Leo S. Lucas to revise its recent regulation which precludes charges for both an office call and physiotherapy on the same day. The management was asked to assure Dr. Lucas that this regulation would be adhered to in all cases, regardless of whether or not the attending physician maintained his own physiotherapy department. It was pointed out that the necessity for uniform handling of this particular problem was of considerable importance to the success of O.P.S. operations in view of the fact that many cooperating physicians, both general practitioners and specialists, had to be considered in establishing the rule.

Claims:

1. D. L. Patterson — Dr. J. A. Bildstein
   Portland Traction Company

Dr. B. P. Harpole represented Dr. Bildstein and outlined the circumstances under which Mr. D. L. Patterson was hospitalized and operated shortly after joining O.P.S. The Committee by motion duly made and carried, authorized O.P.S. management to assume Mr. Patterson's surgical and hospital costs, it being the Committee's opinion that the patient's condition arose while he was a member of O.P.S.

2. W. Ormandy — Drs. Leo Schneider and John Besson
   J. K. Gill Company

The Committee authorized payment of Mr. Ormandy's hospital bill.

3. C. E. Anderson — Dr. John M. Guiss
   Bergman Shoe Company

The Committee authorized payment of Dr. Guiss' bill for a bilateral superficial femoral ligation for pulmonary embolism, and unilateral saphonous ligation in the amount of $150.00.

Plaintiff's Exhibit 840

5775 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting—July 28, 1947
6:30 P.M., Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, A. M. Boyden, C. L. Booth and J. W. Wiley. O.P.S. Administrative Personnel Present: W. A. Sundberg, C. W. Kincaid, T. H. Hammond and Joseph E. Harvey, Jr.

Minutes of the Committee's June 23, 1947 meeting were read and approved.

The management reviewed financial statements covering the operations of the Multnomah County Division of O.P.S. for the months of May and June, 1947.

Dr. Swinney reported to the Committee that at the invitation of Dr. A. L. Severeide of the Bodine-Cantril Clinic, Dr. Swinney and Mr. Harvey met with the members of the Clinic on July 16, 1947 to discuss the recent survey of the Clinic's bills. As a result of the discussion, and at the request of the members of the Clinic, it was agreed that several other comparative figures should be secured, specifically of case costs for general surgeons and eye, ear, nose and throat specialists. If these additional studies are available by August 25, 1947 the date of the Committee's next regular meeting, members of the Bodine-Cantril Clinic's staff will meet with the Supervisory Committee to discuss them.

A letter from the Medical Clinic under the signature of Dr. Robert Greene was read. Since the letter was in reference to the analysis of the Clinic's bills, and since the additional studies to be made with reference to the Bodine-Cantril Clinic's bills would be applicable at least in part to the Medical Clinic, the management was requested to acknowledge Dr. Greene's letter and advise him that additional studies were contemplated, and that possibly suggestions from the Committee would be forthcoming at a later date.

A letter from Dr. Herman A. Dickel was read. As the result of prior discussions with the O.P.S. Supervisory Committee, Dr. Dickel had presented to a group of psychiatrists which included all of the Multnomah County psychiatrists presently cooperating with O.P.S., the follow-

ing suggestions for establishing a workable relationship between the psychiatrists and Oregon Physicians' Service:

1. That cooperating psychiatrists accept as O.P.S. cases only those cases referred by other cooperating O.P.S. staff members.

2. That psychiatric treatment of O.P.S. cases not be commenced until a written report of history and diagnosis had been submitted and Oregon Physicians' Service had either in writing or by telephone authorized treatment as the liability of O.P.S.

3. That such cases as were accepted as the responsibility of O. P. S. be treated on a flat fee basis.

5776 4. That O.P.S. would assume responsibility for the diagnostic work-up of any "referred" case regardless of whether or not psychiatric treatment was carrier out at the expense of O.P.S.

The psychiatrists to which these matters were presented recommended a flat fee of $250.00 for a complete course of psychiatric treatment.

The Supervisory Committee by motion duly made and carried accepted the recommendations of the psychiatrists on the above basis and instructed the management to take whatever steps were necessary to implement this program.

The management reported that, at the request of the Supervisory Committee, it had reviewed office visit charges by cooperating doctors on the same days that physiotherapy charges were made. The records show that a certain amount of duplication exists on the day of the patient's first visit to the doctor's office and first physiotherapy treatment, but that only a very minor amount of duplication exists in subsequent office visits and subsequent physiotherapy treatment. The Committee was of the opinion that such duplication of charges on the day of a first office visit and first physiotherapy treatment was proper and payable by O.P.S., but that duplication on subsequent days should not be allowed. The Committee instructed the O.P.S. management to so notify Dr. Leo S. Lucas who has inquired about this matter, and to change the revised fee schedule pertaining to physiotherapy accordingly.

The management reported on preparation for the new O.P.S. programs—coverage for small groups, rural groups and individuals.

Dr. Swinney reported to the Committee that the O.P.S. Board of Directors was at present considering the advisability of employing a business management consulting firm to study the operation of Oregon Physicians' Service. After considerable discussion the Committee by motion duly made and carried voted to recommend to the O.P.S. Board of Directors that such a firm be employed and the study carried out.

Since Dr. A. G. Kimberley and Dr. B. L. Titus were not present at this meeting, their recommendations concerning two additional fees to be added to the revised fee schedule were tabled pending further discussion. The recommended fees were: "bursectomy, $40.00", and "ethmoidectomy, $75.00".

The Committee authorized payment of a $15.00 "service and film charge" for a cystoscopy and pyelogram done in the urologist's office. This service charge is to be in addition to the scheduled fee for cystoscopy and pyelogram.

Claims:

1. Mr. G.A. Huston — Dr. John D. McGovern
   Pay Office Account

The Committee asked that Dr. McGovern be invited to attend the next regular meeting to discuss his co-operating agreement with Oregon Physicians' Ser-
5777 vice.

2. G. Bales — Dr. William T. Stout
   Del Monte Meat Company

A signed statement from this subscriber outlining the circumstances under which Dr. Stout had treated him during the month of May, 1947 was read. The Committee, by motion duly made and carried, instructed management to refund Mr. Bales the full amount paid Dr. Stout less the cost of penicillin used. The management was further instructed to take a credit against Dr. Stout's next payment from O.P.S. for the difference between O.P.S. liability and the amount collected from Mr. Bales.

3. Elmer Ruitta — Dr. John Marxer
   Pay Office

Upon reviewing the patient's case history file the Committee was of the opinion that his condition had originated prior to his membership in Oregon Phy-

sicians' Service and that the contemplated surgery should not be considered the responsibility of O.P.S.

4. Eunice West — Dr. R. M. Dodson
Pay Office

The Committee authorized payment of Dr. Dodson's bill for a bilateral salpingectomy, bilateral removal of ovarian cysts—adhesions—interligamentous cyst in the amount of $175.00.

5. W. Ormandy — Dr. Leo Schneider
J. K. Gill Company

After reviewing a special report from Dr. Schneider outlining the medical and surgical care of this patient, the Committee authorized payment of Dr. Schneider's bills according to the regular O.P.S. schedule. The management was asked to determine whether or not Dr. Schneider had assumed full responsibility for the patient's convalescent care following two of the three surgical procedures involved; and if so to pay 30% of the surgical fees to Dr. Schneider and 70% to the surgeon, Dr. John Besson.

6. E. R. Maxfield — Dr. R. S. Fixott
Terminal #4

The Committee authorized payment of Dr. Fixott's bill for an intranasal antrotomy, ethmoidectomy and removal of nasal polyps in the amount of $150.00

There being no further business the meeting was adjourned.

Signed
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 841.

5778 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting—August 25, 1947
6:30 P.M., Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, B. O. Woods, C. L. Booth, A. M Boyden, B. L. Titus, Drs. A. L. Severeide and E. G. Chuinard were also present as the Committee's guests. O.P.S. Administrative Personnel Present: C. W. Kincaid, W. A. Sundberg, M. G. Haynes, and Joseph E. Harvey, Jr.

Minutes of the Committee's July 28, 1947 meeting were read and approved.

A three year financial statement covering the operations of the Multnomah County Division of O.P.S. was reviewed by Mr. W. A. Sundberg, O.P.S. Chief Accountant.

After an extensive discussion with Dr. A. L. Severeide concerning a study of the BoDine Cantril Clinic's bills, the O.P.S. management was instructed to work out with the business manager of BoDine Cantril Clinic a proposal whereby O.P.S. would be charged at less than fee schedule rates for x-ray and laboratory work done by the Clinic. The basis for this proposal was stated to be that the Clinic's x-ray and laboratory costs were fixed and that the nature of clinic practice is such as to permit x-ray and laboratory work to be done at less cost than in the office of a single practitioner. Management was further instructed to discuss this proposal, including specific discount rates, with members of the Medical Clinic as well as the BoDine Cantril Clinic and to report to the Committee at its next regular meeting. The opinion was informally expressed by both Dr. Severeide and Committee members that a more workable arrangement between O.P.S. and the BoDine Cantril Clinic would doubtless result from the analysis, subsequent discussions, and the proposal for a new working agreement.

Dr. E. G. Chuinard presented, on behalf of Dr. Leo S. Lucas and himself, a letter asking the Committee to reconsider its prior ruling with respect to the payment of fees for physiotherapy and office calls on the same days. Following discussion, the consensus of the Committee was that physiotherapy administered by a qualified physiotherapist should be excluded from the operation of the above noted rule. Dr. A. G. Kimberley was appointed as a subcom-

mittee to confer with Drs. E. G. Chuinard and A. C. Jones for the purpose of redefining the types of physiotherapy to be covered by the Committee's ruling as well as those types to be excluded. Dr. Kimberley was requested to report back to the Committee at its next regular meeting.

A letter from Dr. H. A. Dickel was read to the effect that he intended presenting to all O.P.S. staff psychiatrists practicing in Multnomah County the Committee's proposal as outlined in its minutes of July 28, 1947.

A letter from Dr. C. I. Drummond, Secretary of the Oregon Physicians' Service Board of Directors, was read to the effect that a business management consultant survey of O.P.S. operations has been authorized and that negotiations were presently being carried on with two management consulting firms, one of which would be selected to do the job.

5779 The O.P.S. management reported that, in its opinion, installation of the revised fee schedule initially recommended by the Multnomah County Supervisory Committee and subsequently adopted by the O.P.S. Board of Directors would result in an approximate 15% increase in the costs of staff physicians' services. On the basis of present experience, a drop of from 10 to 15% in percentage payments to member physicians could be anticipated when the new schedule is made effective. Management then outlined a suggestion which might permit installation of the new fee schedule without a substantial drop in percentage payments to member physicians. Committee action on this proposal was postponed pending further study.

At the Committee's request Management outlined the reasons for contract cancellations in Multnomah County during May, June and July, 1947. Following discussion, the Committee, by motion duly made and carried, instructed O. P. S. management to arrange for "service" calls to be made on all Multnomah County accounts at reasonable intervals. Six months was suggested as the logical basis for these service calls.

The Committee, by motion duly made and carried, recommended to the Council of the Multnomah County Medical Society that it authorize O. P. S. to make its Family Hospitalization plan available to the families of all member physicians. It was also suggested that member physicians in Multnomah County be reminded of the long-standing policy whereby their office attendants, receptionists, bookkeepers, etc., have been eligible for individual membership under the O.P.S. Full Coverage Plan.

Upon considering a group of bills recently submitted by Dr. F. T. Maguire, the Committee authorized payment on the following basis:

1. Dr. Maguire's bills were to be initially adjusted to fit the general average for bills from other staff doctors in Multnomah County.
2. Bills for services during 1945 were then to be paid on the basis of 50% of what Dr. Maguire would have received had the bills been submitted at the time the services were completed.
3. Bills for 1946 were to be paid at 65% of what Dr. Maguire would have received had the bills been submitted at the time services were completed.
4. The bills for 1947 were to be paid according to the going rates in 1947.

The Committee, by motion duly made and carried, instructed Management to access a 10% penalty against all staff physicians' bills received more than four months after service was completed, but within 12 months; an additional 25% penalty against bills submitted more than 12 months, but not more than 24 months after the service was completed; and an additional 25% for each year thereafter.

5780 A motion that a medical director be employed was lost for want of a second.

Claims:

1. C. H. Tisdale — Dr. E. W. St. Pierre

The Committee authorized payment of Dr. St. Pierre's bill for removal of a tumor from the palmer surface of the hand, in the amount of $100.00.

2. Miss Clair Farry — Dr. R. York Herren

The Committee was of the opinion that O.P.S. had previously given Miss Farry more than the equivalent of "one year's treatment" for her shoulder condition, and that even though the final diagnosis in her case was not the same as the beginning diagnosis, the condition, by virtue of Dr. Herren's history and physical examination, was the same; and that O.P.S. had fulfilled its contractual obligation. Management was instructed to so notify Dr. Herren and to decline responsibility for surgery.

3. Ed Pennycook — Dr. Harry C. Blair

The Committee postponed action on Dr. Blair's bill pending receipt of an additional report detailing the surgical procedures involved.

4. Robert Quinn — Dr. John Raaf

The Committee declined responsibility for proposed surgery in this case on the same basis as in the Farry case noted above—that O.P.S. had previously fulfilled its contractual obligation to Mr. Quinn by rendering all necessary medical care for a period of one year from the onset of his condition.

There being no further business the meeting was adjourned.

(Signed) R.H. SWINNEY

Plaintiff's Exhibit 842

5781 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting November 24, 1947 — 6:30 P.M., Campbell Court Hotel

Attending: Drs. R. H. Swinney, Chairman, C. L. Booth, A. M. Boyden, James W. Wiley, B. L. Titus and A. G. Kimberley. O.P.S. Administrative Personnel: J. E. Harvey, Jr., C. W. Kincaid and T. H. Hammond.

Minutes of the Committee's October 27, 1947 meeting were read approved.

Management reviewed a financial report covering Multnomah County pool operations for the month of September, 1947. It was noted that a sharp increase in hospital costs during the month dropped the percentage of gross income available for distribution to member physicians several percentage points below the preceding month.

Dr. Allen M. Boyden reported for the sub-committee (Drs. Boyden, Wiley and Woods) that met with the O.P.S. State Board of Directors on November 8, 1947 to discuss the new fee schedule. It was reported that several members of the O.P.S. Board of Directors, in view of past unsatisfactory experience using different fees in Multnomah County than in the rest of the State, felt that fees should be uniform on a statewide basis. It was further reported that on motion of a member of the Board, the matter of a

$5.00 "first office visit" fee for Multnomah County was tabled pending study of the business engineering report conducted by McKinsey and Company. Following Dr. Boyden's report two resolutions were passed unanimously:

1. "In accordance with the agreement between the Council of the Multnomah County Medical Society and O.P.S., the Committee insists that a "first office visit" fee of $5.00 be used in the new fee schedule for services to Multnomah County pool subscribers."

2. "In the event that percentage payments to member doctors of the Multnomah County pool drop below 80% of the new fee schedule during its first six months in operation, the Committee will reconsider the matter of subscriber rates."

The Committee directed O.P.S. management to conduct an additional study of the case costs during January–March, 1948, of both the Bodine Cantril and Medical Clinics.

The Committee directed management to advise Dr. H. A. Dickel (representing the psychiatrists practicing in Portland) that the Committee considers it imperative that arrangements for handling psychiatric cases be completed and presented to the Committee by December 15, 1947.

Dr. A. M. Boyden reported that he had discussed with Drs. J. D. McGovern and R. M. Crommelin their relationships with O.P.S.; and that he had subsequently asked the O.P.S. business office to contact these doctors for a further discussion of the cases involved. Management then reported that it had conferred with Drs. McGovern and Crommelin and had arrived at a satisfactory understanding both as to the cases involved in the immediate controversy and as to the handling of further O.P.S. cases.

5782 After hearing Dr. R. H. Swinney's report concerning the business engineering survey of O.P.S. operations made by McKinsey and Company, it was moved, seconded and unanimously carried that the Council of the Multnomah County Medical Society be asked to officially request the O.P.S. Board of Directors to make the McKinsey and Company report available to the Multnomah County Supervisory Committee prior to its special meeting on December 15, 1947.

After considering a letter from the Northern Permanente Foundation asking that two of its salaried physicians who were members of the Multnomah County Medical

Society be permitted to acquire staff membership status in O.P.S. with the immediate object of assisting in the care of students covered by the O.P.S. contract at Vanport College; the Committee by motion duly made and carried referred this matter to the Council of the Multnomah County Medical Society.

After some discussion it was informally agreed that further reports concerning mention of the new fee schedule to the various hospital staffs in Portland be deferred until such time as the new fee schedule was actually placed in effect.

In response to a request for interpretation of physiotherapy fees in the new fee schedule, the Committee instructed management to consider all types of physiotherapy administered during a single office visit to be one physio-therapy treatment, and to make payment under the new fee schedule for such on the basis of the major fee only.

After discussion of a request from the Council of the Multnomah County Medical Society to the effect that the Committee reconsider its previous recommendations concerning the offering of O.P.S. coverage to school teacher groups, the Committee by a 5—1 vote, Dr. C. L. Booth dissenting, voted to authorize O.P.S. to offer coverage to school teacher groups at standard rates with a 75% group participation requirement and with experience reviews of such groups at 3 month intervals.

Claims:

1. Jake Hirsch — Dr. Stanley Lamb

The Committee authorized management to pay Dr. Lamb's bills for the care of burns on the basis of office calls at regular fee schedule rates.

2. Percy Walker — Dr. H. E. Shoot

The Committee authorized management to pay Dr. Shoot for postoperative care beginning three months after surgery. The Committee further authorized management to consider three months as "normal" after-care in cases involving malignancies and to make additional payments for after-care extending beyond three months from the date of surgery.

3. Mrs. Fern Sanders — Dr. H. W. Stearns

The Committee declined to assume responsibility for medical care and hospitalization on and after July

6, 1947 for the reason that O. P. S. had previously
5783 furnished Mrs. Sanders the contractual "year's" treatment for her illness.

There being no further business the meeting was adjourned.

Signed
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 843

5784 RECOMMENDATIONS OF SUPERVISORY COMMITTEE

January 20, 1948

Discussion opened by Dr. Wells W. Baum with the comment that the recommendations either (1) be approved or (2) disapproved with the Committee recommendations to be submitted to the State Board of Directors.

Motion was made and seconded that the recommendations of the McKinsey Company be disapproved and that the various phases of the program be discussed and recommendations be made by the Committee in writing and forwarded to the State Board. The motion carried.

1. *Policy Determination.* A motion was made that the policy determination recommended by the McKinsey Company be disapproved and that the local autonomy rule continue to apply. The motion was carried. (Drs. King, Power and Campbell voted "yes". Drs. Dowd and Myers, "no".)

   A motion suggesting a more direct, systematic and democratic system in electing representatives for the State Board of Directors and Trustees was made and carried.

2. *Compensation or Bonus Fund for Executives.* Motion made to disapprove, and recommend that bonuses be paid only on the basis of efficiency and ability, to cut down overhead. Motion carried.

3. *Statistical Information.* Motion was made and carried to approve the gathering of statistical information if it can be done without increasing overhead.

4. *Yearly Audit.* Motion made and carried to disapprove of yearly outside audit.

5. *Consolidation of Offices.* A motion was made and carried to request information from the State Board as to which office is the head office of O. P. S. and also request information concerning the cost of office operation, whether the cost of operation would be cheaper in Portland, Salem or some other city in the state.

6. *More Effective Sales Program.* Motion made to approve, with the understanding that this group would like to see all low income groups covered by O. P. S. Motion carried.

7. *Sales Incentive.* Motion made and carried to disapprove any sales incentive program based on the number of new subscribers.

8. *Expand Board of Directors.* Motion made and carried to approve expansion of Board of Directors.

9. *Medical Director.* Motion made to disapprove. Motion withdrawn. New motion made to leave this matter up to the Board of Directors. Motion carried.

10. *The Committee's Impression of the Recommendations Made by the McKinsey and Company.* Motion made to submit the following as impression of the Committee: The general tenor of the report by the McKinsey and Company gives us the impression that not enough attention was given to the rights of stockholders of this organization in the practice of medicine. Motion carried.

Plaintiff's Exhibit 844

5785 OREGON PHYSICIANS' SERVICE

Meeting of Supervisory Committee

Salem, Oregon—January 20, 1948

The meeting was called to order by the President, Dr. Wells W. Baum. Members of the Committee present were as follows:

Dr. W. W. Baum, Dr. Chas. S. Campbell, Dr. F. K. Power, Dr. A. T. King, Dr. H. A. Dowd and Dr. B. A. Myers.

The first business to come before the meeting was the reading of the minutes of the previous meeting of December 30, 1947, which were read and approved as read with the correction that Dr. Baum's name be listed with those as being present at the last meeting.

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The first new business to come before the meeting was the case of admitting doctor and dentist nurses to O. P. S. on an individual basis. This was again discussed with the final decision by the Committee that one former policy of six individuals to a contract be carried out; disallowing nurses to enter O. P. S. on an individual basis.

The question of information being furnished to referral doctors was discussed and it was decided that a letter of instructions be mailed to all the doctors instructing them to furnish the doctor to whom they refer a patient
5786 all the information of value they have so that a duplication of service will not be necessary.

Various bills were presented, discussed and disposed of in the usual manner.

The question of setting a fee for a histamine injection was discussed and it was decided to defer a decision until the next meeting.

Various phases of the McKinsey Company recommendations were discussed and passed upon and the Committee's recommendations are attached.

With no further business to come before the meeting same was adjourned in due form.

(Signed) F. K. Power
Secretary

Plaintiff's Exhibit 845

5787 OREGON PHYSICIANS' SERVICE

Annual Meeting of

COOPERATING PHYSICIANS OF THE CENTRAL POOL, SALEM DIVISION

March 16, 1948

At The Golden Pheasant—Salem, Oregon

The meeting was called to order at 6:30 P.M. at the Golden Pheasant by the President, Dr. Wells W. Baum. Cooperating physicians present were as follows:

Drs. W. W. Baum, W. E. Buren, H. A. Dowd, Chas. D. Wood, H. E. Gilbert, Vern W. Miller, Chas. S. Campbell, Merle F. Brown, T. H. Dunham, J. H. Stewart, H. E. Poole, Mary B. Purvine, G. A. Niles, A. A. Fisher, F. H. Kurtz, R. E. Purvine, J. M. Ramage, J. L. Sears, C. A. Downs, B. A. Myers, W. N. Thompson, W. L. Lidbeck, J. A. Ritchey, W. H. Needham, Frank E. Brown, R. C. Wilson, R. Lee Wood, H. A. Gueffroy, J. H. Garnjobst, Ray Pemberton, Wm. C. Crothers, Lucille Fortner, E. S. Fortner, M. K. Crothers, D. R. Ross, C. W. Emmons, Robert Wulf, H. D. McGee, A. T. King, B. L. Trelstad, Ray S. Waltz, M. C. Findley and L. O. Clement. O. P. S. Administrative Personnel present: W. C. Marshall and A. W. Knox.

The first business to come before the meeting was the reading of the minutes of the previous meeting of September 23, 1947. In the absence of Dr. F. K. Power, Secretary, the minutes were read by Arthur Knox, which were approved as read.

The agenda of the meeting consisted of the following items:

(1). The financial statement for the last six months of 1947 and the month of January, 1948 was presented.

(2). A general review of progress made on a statewide basis was reviewed by Mr. Willard Marshall, General Manager of Oregon Physicians' Service. His review consisted of progress in respect to obtaining additional contracts, the advertising program which was in effect throughout the state, and a general resume of the over-all picture relating to prepaid medical care. In addition Mr. Marshall stated that there has of recent date been considerable activity by cooperative groups in the field of prepaid medical and hospital service.

(3). Election of three new members to the Supervisory Committee. The meeting was opened to nomination; the following doctors being nominated for the three positions on the Committee: Dr. Vern Miller, Dr. Morris K. Crothers, Dr. C. W. Emmons, Dr. John Ramage and Dr. T. H. Dunham. Upon a motion that nominations be closed an individual ballot vote was taken, with Dr. Dunham and Dr. Crothers replacing Dr. Kenneth Power and Dr. Wells Baum—and Dr. Ramage to replace and fill the unexpired term of Dr. Chas. Campbell.

(4). General remarks of appreciation from the retiring President, Dr. Baum.

5788 With no further business to come before the meeting the President, Dr. Baum, called for a general discussion of any new subjects which the group might have.

Following a general discussion the usual distribution of $5.00 per member in attendance was made.

With no additional business to be presented to the group and to come before the meeting a motion was made and duly carried that the meeting be adjourned.

(Signed) MORRIS K. CROTHERS
Secretary

Plaintiff's Exhibit 846

5789 OREGON PHYSICIANS' SERVICE

SUPERVISORY COMMITTEE FOR MULTNOMAH COUNTY

MINUTES

Meeting April 26, 1948 6:30 P.M., Rose Room, Mallory Hotel

Attending: Drs. R. H. Swinney, Chairman, Allen M. Boyden, T. J. Pasquesi, H. F. Riedel and R. H. Kaufman. Drs. H. H. Foskett and Vinton Sneeden were present as the Committee's guests representing the cooperating pathologists practicing in the Portland area. O.P.S. Administrative Personnel Present: W. C. Marshall, J. E. Harvey, Jr., A. W. Knox, C. W. Kincaid, W. A. Sundberg and T. H. Hammond.

Minutes of the Committee's regular meeting of March 8, 1948 and of the special meeting of March 22, 1948 were read and approved.

Following discussion of the pathologists' recommendations concerning participation in the O.P.S. program, and as presented by Drs. Foskett and Sneeden, the Committee by motion duly made and carried voted to advise all cooperating physicians of the names of cooperating physicians operating laboratories in the Portland area; and to further ask that referred laboratory work for O.P.S. subscribers be sent to cooperating staff physicians. An informal agree-

ment was reached concerning the status of the Emma Howe Laboratories insofar as O.P.S. work was concerned—that the current situation not be disturbed but that new physicians locating in the Portland area be asked to use the laboratory facilities of the cooperating staff. The O.P.S. management was instructed not to honor bills from non member laboratories other than the one mentioned above.

Mr. W. C. Marshall, O.P.S. General Manager, discussed the recent Associated Medical Care Plans—Blue Cross Conference in Los Angeles. He reported that strong efforts had been made by Eastern and Mid-Western Blue Cross and Medical Care Plans to (a) merge Associated Medical Care Plans and Blue Cross, (b) establish a national insurance corporation; but that through the efforts of eleven Western states acting as a unit, action on these proposals was postponed pending further study.

A sub-Committee composed of Drs. R. H. Swinney, A. M. Boyden and T. J. Pasquesi (Dr. Boyden replaced Dr. C. L. Booth) presented its recommendation concerning possible adjustments in O.P.S. subscriber rates and/or benefits. After discussion the Committee voted to recommend to the O.P.S. Board of Directors that employe group contracts be altered by giving each group its choice of two alternatives, (a) an increase in dues from $3.00 to $3.50 per month, or (b) a dues rate of $3.00 per month (present rate) with the subscriber paying 25% of each hospital bill and receiving coverage for "preexisting" conditions after one year's continuous membership in the Plan. The sub-Committee was asked to present these recommendations to the O.P.S. Board of Directors at the joint meeting scheduled for May 1, 1948.

5790 Mr. W. A. Sundberg explained the Multnomah County Division's financial statements covering operations during December, 1947 and January and February, 1948. Management was requested to mail the financial statements to Committee members at least a week prior to each regular meeting in order that the members might study the reports prior to discussion.

Management reported that the previously authorized meetings with doctor's office employes in the Multnomah County area had been completed and that three out of the plan's six meetings with cooperating physicians had been held. The Committee suggested that the remaining three meetings with cooperating physicians be postponed for a short time until the Committee was in a position to report

concerning possible changes in subscriber rates and/or benefits.

In response to a question from the Clark County Medical Service Bureau in Vancouver, Washington, the Committee by motion duly made and carried, voted to suggest to the Bureau that payments to Multnomah County physicians for services to Clark County subscribers be made on the basis of 85% of the present O.P.S. fee schedule. The Committee felt that this recommendation would be in keeping with the Clark County Medical Service Bureau's practice of paying 100% of the previous O.P.S. fee schedule.

Dr. R. H. Swinney reported that the Council of the Multnomah County Medical Society had declined to assume responsibility for maintenance of the clinical records accumulated at Vanport Hospital while said hospital was under O.P.S. management. The Committee instructed management to advise the housing authority that O.P.S. could not assume responsibility for the records.

Following discussion the Committee by motion duly made and carried voted to carry doctors' office employes who are members of O.P.S. through the "Pay Office" account, at the regular "group" rates rather than at the usual rate for "Pay Office" subscribers.

Dr. R. H. Kaufman was asked to consult with cooperating roentgenologists concerning the proposed reduction of the fee for superficial x-ray therapy from $7.50 to $5.00 per treatment.

In response to a question from Dr. F. A. Short the Committee confirmed management's practice of declining responsibility for braces used in non hospitalized fracture cases.

In response to a verbal request from Dr. Bruce L. Titus to adjust the fee for "laryngoscopy" the Committee asked Dr. Titus to present his suggestions in the form of a letter.

In response to a question from the O.P.S. Claim Department the Committee stated that the listed fee for cystoscopy and pyelogram in a physician's office included the cost of films and dye.

The Committee established a fee of $25.00 for vasectomy.

The Committee established a fee of $75.00 for spermatocele operation.

5791 Claims:

1. Neal Agan — Dr. T. G. Montgomery

The Committee established a flat fee of $150.00 for bilateral hydrocele, left epididymectomy and an excision of a right spermatocele.

2. Fred Jacobsen — Dr. L. R. Chauncey

The Committee established a flat fee of $385.00 for colostomy, resection of descending colon, drainage of abdominal abscess and colostomy closure.

3. H. J. Lowers — Dr. A. M. Davis

The Committee instructed management to refund the patient $25.00 which he had paid Dr. Davis and to make an appropriate adjustment on O.P.S.' next payment to the doctor. Management was further instructed to advise Dr. Davis that charges over and above the fees paid by O.P.S. may not be made by staff physicians on O.P.S. cases; and that such procedure did not conform to the staff physicians' cooperating agreement. Management was further instructed to report to the Committee any further instances of deliberate over charges, it being the Committee's intention to recommend cancellation of physicians' cooperating agreements in such cases.

4. Frank Jaemens — Dr. F. A. Short

In response to a letter from Dr. Short the Committee established a flat fee of $100.00 for a simple fracture of the left tibia extending into the knee joint, it being understood that the services in question were rendered prior to adoption of the current fee schedule.

There being no further business the meeting was adjourned.

(Signed) R. H. Swinney
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 847

5792 OREGON PHYSICIANS' SERVICE
SUPERVISORY COMMITTEE FOR
MULTNOMAH COUNTY

MINUTES

Meeting, July 26, 1948 — 6:30 P.M., Mallory Hotel

Attending: Drs. R. H. Swinney, Chairman, Allen M. Boyden, T. J. Pasquesi, R. H. Kaufman, H. F. Riedel.

Dr. V. E. Ruedy was present at the Committee's request.

O.P.S. Administrative Personnel Present: C. W. Kincaid, T. H. Hammond, W. A. Sundberg and J. E. Harvey, Jr.

Upon motion duly carried it was decided to dispense with reading of the minutes of the Committee's June 28, 1948 meeting.

A motion to dispense with reading of the financial report of the Multnomah County Division of O.P.S. for June, 1948 was duly passed.

The Committee discussed with Dr. V. E. Ruedy the necessity of keeping his charges for the care of O.P.S. subscribers more in line with the charges of other cooperating physicians rendering similar services. Following the discussion, it was moved and carried that Dr. Ruedy's bills for the month of May, 1948 be reduced to the "average" of bills for other physicians rendering similar services to O.P.S. subscribers; and then paid at the going fee schedule percentage.

In response to a prior Committee request, management reported that under its present corporate structure O.P.S. did not have the right to sell a coverage plan based on indemnity principles; and that in order to offer such a plan it would be necessary to qualify as an insurance carrier under the laws of the state of Oregon.

May, 1948 bills for Drs. George Pasto, J. Holzman, W. M. Killingsworth, A. M. Davis, B. O. Woods and A. A. Grossman were reviewed by the Committee. Management was instructed to pay the bills of Drs. Pasto, Killingsworth and Holzman without change or comment; and to pay those of Drs. A. M. Davis, A. A. Grossman and B. O. Woods without change but with a letter to each advising that their bills averaged considerably more than bills for similar services by other cooperating physicians.

By motion duly carried, the Committee voted to recommend to the Council of the Multnomah County Society that it officially protest to the hospitals involved the telephone directory listings which carry the words "Blue Cross Participating Hospital" immediately under the listing of each major Portland Hospital.

At its June 28, 1948 meeting the Committee requested the O.P.S. management to prepare recommendations as to what steps the Supervisory Committee might take
5793 to improve the condition of the Multnomah County Division of O.P.S. A memorandum of recommendations from the O.P.S. Administrative Staff was presented and is hereby made a part of these minutes (copy attached

in this minute book next hereto). The Committee's action on each of the recommendations was as follows:

SECTION I. *Physicians' Relationships to O.P.S.*

Recommendation	*Committee Action*
1. Pertaining to a semi-annual study of the bills of all participating physicians.	Adopted
2. Pertaining to the method of contacting physicians whose bills are determined to be "out of line".	Adopted—as an initial procedure with the understanding that flagrant and uncooperative cases are to be brought to the Committee's attention.
3. Pertaining to repurchase of the stock of any physician who does not indicate his willingness to cooperate with O.P.S. on the basis outlined by the Committee	Held for further consideration.

SECTION II. *Contract Elements*

Recommendation	*Committee Action*
1. Pertaining to the holding of small group meetings of cooperating physicians and to the encouraging of staff physicians to adopt a more businesslike attitude toward the conduct of the Multnomah County Division of O.P.S.	Adopted.
2. Pertaining to a long range program injecting the "subscriber participation" principle into O.P.S. contracts.	Adopted.
3. Pertaining to a long range program extending O.P.S. coverage to include preexisting conditions; and to take out of the contracts minor exclusions.	Adopted.

4. Pertaining to a long range program of adjusting benefits rather than premium rates.	Adopted.

5794 SECTION III. *Hospital Relationships with O.P.S.*

Recommendation	*Committee Action*
1. Pertaining to the granting of discounts to O.P.S. by hospitals.	By motion duly carried the Committee recommended to the O.P.S. Board of Directors that it attempt to secure such hospital discounts
2. Pertaining to the granting of access to hospital case records on O.P.S. subscribers.	The Committee asked that Management secure a legal opinion on the validity of this recommendation.
3. Pertaining to the designation of one member of the Supervisory Committee as O.P.S. Liaison Representative on the staff of each of the major Portland hospitals.	Held for further study.
4. Pertaining to the payment for "out patient" x-ray services at St. Vincents and Providence Hospitals.	Drs. A. M. Boyden and T. J. Pasquesi were asked by the Committee to advise St. Vincents and Providence Hospitals that non-emergency, outpatient x-ray service could not be paid for by O.P.S. at more than the going percentage of fee schedule.

SECTION IV. *Administration*

Recommendation	*Committee Action*
1. Pertaining to Supervisory Committee assistance in the securing of desirable industrial employe group contracts.	Adopted.
2. Pertaining to the elimination of initial case reports except on surgical and extended medical cases.	Adopted—the expense level at which case reports would be required to be set by management.

3. Pertaining to a review of the specialist classifications in the O.P.S. list of cooperating physicians.	The Committee asked the O.P.S. management to prepare a list of those physicians who are listed as Specialists but who appear to be carrying on general practices—for the Committee's further consideration.
5795 4. Pertaining to the placing of certain specialist classifications on a "referral" basis only.	Held for further consideration.
5. Pertaining to the establishment of some measurement standards to be used in reviewing the bills of cooperating physicians.	The Commitee's opinion was that "case averages" for similar services by physicians in similar fields of practice were the only practicable standards available.
6. Pertaining to the terms of service of Supervisory Committee members.	The Committee by motion duly carried voted to recommend to the Council of the Multnomah County Medical Society that in selecting members of the O.P.S. Supervisory Committee, at least four physicians be appointed each year who have had at least one year's experience on the Committee: Further, that consideration be given in these appointments to fields of general practice and specialty groups; and that the staff of each major Portland hospital be represented on the Committee.

The Committee by motion duly carried ordered a special meeting on Monday, August 9th, for the purpose of reviewing the bills of certain cooperating physicians.

Claims:

1. C. E. Anderson	Dr. Marvin Schwartz

It was the Committee's opinion that O.P.S. had previously furnished Mr. Anderson the maximum of a year's treatment for a heart disease and that his present illness could not be considered the responsibility of O.P.S.

2. E. Bisconti — Dr. John M. Guiss

The Committee authorized payment for Dr. Guiss' services from March 3 through May 4, 1948 in the amount of three hundred dollars ($300.00).

3. Frank E. Malloy — Drs. Jones and Jordan

The Committee authorized payment of Drs. Jones and Jordan's bill for services on June 28, 29 and 30th in the amount of seventy five dollars ($75.00).

5796 4. Rena E. Pounds — Dr. C. Stanley Lloyd

The Committee declined Dr. Lloyd's request for an additional allowance over and above the flat fee for hemorrhoidectomy.

5. M. G. Apel — Dr. William S. Conklin

The Committee authorized payment of Dr. William S. Conklin's bill for services from April 2 through May 24, 1948 in the amount of three hundred forty one dollars ($341.00).

There being no further business the meeting was adjourned.

(Signed) R H SWINNEY
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 848

5797 OREGON PHYSICIANS' SERVICE
SUPERVISORY COMMITTEE FOR
MULTNOMAH COUNTY

August 9, 1948 Special Meeting 6:30 PM Mallory Hotel

Attending: Drs. R. H. Swinney, Chairman, T. J. Pasquesi, Guy R. McCutchan, R. H. Kaufman and W. C. Reiner. O.P.S. Administrative Personnel Present: T. H. Hammond and C. W. Kincaid.

Upon motion duly made and carried it was decided to dispense with the reading of the minutes of the Committee's meeting of July 26, 1948.

Several months paid bills for approximately 42 O.P.S. cooperating physicians, previously studied by the various members of the Supervisory Committee, were reviewed in detail. Many instances were found of individual doctors whose bills average considerably more than those rendered by other cooperating physicians for similar cases. It was observed by the Committee that the most notable instances of such cases involved numerous injections, instances where it appeared that injections were being billed as office calls, cases where complete work-ups were done with no apparent need, and cases where treatment was carried on over a period of time longer than the average for similar illnesses.

As the result of the study, the Committee directed Management to prepare a letter to be sent to all cooperating physicians of Multnomah County instructing them that future bills containing charges for injections must stipulate the drug used in each instance and reminding them that when injections constitute the major treatment given, the injection fee replaces the office call fee.

The study also disclosed many instances of what appeared to be "annual" physicial examinations being billed at the $7.50 rate provided for complete physicial examinations rather than at the initial office call fee of $5.00, with no diagnosis being contained in the bill. The Committee directed Management to return all future bills in this category with the request that the diagnosis be shown thereon.

By motion duly made and carried the Committee determined to recommend to the O.P.S. Board of Directors that the specific provision for an annual physicial examination now carried in O.P.S. standard contracts be eliminated.

Following a review of several months paid bills from Dr. R. B. Evans and after reviewing the circumstances of a previous occasion, wherein it had been necessary to call Dr. Evans before the O.P.S. Supervisory Committee, motion was duly made and carried asking the O.P.S. Board of Directors to take the necessary steps to recall Dr. Evans' cooperating O.P.S. agreement and repurchase his O.P.S. stock.

The Committee determined to send letters to Drs. W. W. Cavanaugh, W. C. Miller, William Cohen, J. E. Hughes, H. B. Moore, H. M. Bouvy, R. S. Kinoshita, A. H. Johnson, Jerome Holzman, W. N. Killingsworth, E. J. Crowthers, J. C. Rinehart and E. W. Rieker pointing out the manner in which the particular doctor's past bills were "out of line" with average bills for comparable cases and indicating the Committee's expectancy that future review of his bills would find the situation corrected.

5798 Following a question regarding fee schedule Items 169 and 170 the Committee directed that the following fee schedule changes be made.

Item #169 Gastrostomy	$175.00
Item #170 Gastrotomy	150.00

Notice was made of surgical cases wherein the surgeon and referring doctor each billed 50% of the surgical fee. The Committee instructed management to return the bills in such instances with an explanation that the surgeon was to bill the entire fee unless responsibility for aftercare was being assumed by the referring physician in which case the bills should be rendered in accordance with the fee schedule rule providing that 30% of the surgical fee be paid to the physician rendering the aftercare.

Following observations as to the extent of superficial X-ray therapy being rendered by dermatologists, Dr. Russell Kaufman was delegated a committee of one to contact the dermatologists and roentgenologists regarding the fee problem involved and report to the Committee at its next meeting.

Claims:

1. William Isom — Dr. J. C. Rinehart

After reviewing the matter of direct payments having been made to Dr. Rinehart by the above O.P.S. subscriber the Committee invited Dr. Rinehart to appear at its next regular meeting to discuss the case.

2. Nils Hendrickson — Dr. Martin A. Howard

The Committee reviewed the operative notes covering surgery for strangulated femoral left hernia and directed that the surgery bill be paid on the basis of the regular fee schedule rate of $100.00.

3. Davis Manary — Dr. Stanard R. Gillespie, Dr. L. F. Martinson

The Committee authorized a total surgical fee of $300.00 to cover the femoral vein ligation done on April 17 and the multiple abdominal surgeries done on April 21, 1948 plus an additional allowance of $50.00 for the abnormal amount of aftercare required. Management was instructed to inform Dr. Martinson that since the surgery had been billed by Dr. Gillespie and payment had been authorized to him on the basis of a surgical case the Committee did not feel

that an additional fee to Dr. Martinson was in order in view of the established policy of not allowing fees to more than one physician for concurrent services. Management is to inform Dr. Martinson that if he feels additional consideration is due, the Committee will be pleased to have him submit an explanation of the circumstances of the case together with a detailed itemization of his services for the Committee's reconsideration.

There being no further business the meeting was adjourned.

Signed
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 849

5799 OREGON PHYSICIANS' SERVICE
SUPERVISORY COMMITTEE FOR
MULTNOMAH COUNTY

Meeting, August 30, 1948 6:30 P.M., Mallory Hotel

Attending: Drs. R. H. Swinney, Chairman, Allen Boyden, Guy McCutchan, T. J. Pasquesi, Russell Kaufman.

Dr. Joe B. Davis attended the meeting as guest of the Committee. O.P.S. Administrative Personnel Present: C. W. Kincaid, T. H. Hammond and J. E. Harvey, Jr.

It was moved and carried that the Committee dispense with reading the August 9, 1948 minutes since each Committee member had previously received a copy by mail.

Following a report by Dr. R. H. Kaufman concerning fees for Superficial X-Ray Therapy, the Committee by motion duly made and carried established the following fees:

Superficial X-Ray Therapy for Malignancies
$7.50 per treatment

Superficial X-Ray Therapy, Other $5.00 per treatment

The management was instructed to notify Dermatologists and Radiologists practicing in Multnomah County concerning these fees.

Following a report by Drs. Boyden and Pasquesi concerning out-patient x-ray therapy at St. Vincents and Providence Hospitals, the Committee by motion duly made and carried instructed management to notify all Portland

hospitals that beginning October 1, 1948, O.P.S. would not assume responsibility for out-patient x-ray services except at rates equal to the going percentage of O.P.S. fee schedule being paid O.P.S. cooperating physicians.

After discussion of six months' bills from Drs. R. M. Dodson, Paul Lacy, R. B. Smalley, J. J. Enkelis, R. W. Isaac, A. A. Grossman, W. W. Conklin and W. H. Cane, the Committee instructed management to notify Drs. Lacy, Isaac, Cane and Grossman that their bills to O.P.S. were averaging substantially more that bills from other cooperating physicians for similar services. Management was instructed to adjust Dr. Dodson's future bills in accordance with the O. P. S. fee schedule.

Management was instructed to ask those Physician Anesthetists practicing in Multnomah County who are not now cooperating O.P.S. physicians to become cooperating physicians.

Claims:

1. William Isom — Dr. J. C. Rinehart

Dr. Rinehart was unable to attend the Supervisory Committee meeting of August 30, 1947, but sent a letter explaining the basis for his charges to Mr. Isom for drugs furnished in injection therapy. The Committee asked management to explain the situation to the subscriber's family and to thank Dr. Rinehart for his explanation.

5800 2. Henry Berger — Dr. J. K. Poppe

The Committee established a fee of $300.00 for "Aneurysm Wrapping, Abdominal or Thoracic" and authorized payment of Dr. Poppe's bill on that basis.

3. Hatfie Shaturski — Dr. Arthur C. Jones

The Committee determined that no additional charge would be allowable for Sayre traction done in conjunction with diathermy and massage, and directed that Dr. Jones' bill be handled accordingly.

4. E. K. Clarke — Dr. J. Otto George

The Committee asked management to ascertain the type and extent of treatment rendered by Dr. George prior to the open reduction of the fracture by Dr. Joe B. Davis and to consider payment on the basis of service rendered.

5. M. M. Richter — Samuel A. Brandon, D.D.S.

After reviewing the medical report and treatment records furnished by Dr. Brandon covering removal of an impacted third molar and the surgery necessary in treatment of severe cellulitis and pericoronitis, the Committee established a flat fee of $200.00 for the case. Management was directed to write to Dr. Brandon informing him of the Committee's action and suggesting further discussion of the case if he does not consider the fee satisfactory.

6. L. E. Dake — Dr. Joseph P. Amato

A letter from Mrs. Dake concerning an additional charge made to her in connection with a thyroidectomy, together with Dr. Amato's bills to O.P.S. and to the subscriber was reviewed. Dr. Pasquesi was appointed a committee of one to discuss the matter with Dr. Amato and report back at the next Committee meeting.

7. Robert Burgoon — Dr. H. v. H. Thatcher

After reviewing the operative records and discussing the procedures involved, the Committee established a flat fee of $300.00 covering reduction of dislocation and plastic repair of left hand, amputation of two fingers and skin graft. The bill was ordered processed on that basis.

8. Margaret T. Ehr — Dr. D. C. Bollam

The Committee determined that in keeping with the general intentions of the O.P.S. fee schedule, a fissurectomy done in conjunction with a radical hemorrhoidectomy would be included in the hemorrhoidectomy fee of $100.00, and directed that Dr. Bollam's bill be processed accordingly.

9. Juanita Sharp — Drs. C. Elmer Carlson and H. Minor Nichols

The Committee directed that payment for Dr. Carlson's services involving compression fracture of first lumbar vertebra, fractured pelvis, multiple body injuries, bruises and contusions be paid on a basis of $330.00 flat fee and that Dr. Nichols' services prior to the time the case was turned over to Dr. Carlson be paid at $50.00.

There being no further business, the meeting was adjourned.

(Signed) R. H. SWINNEY
R. H. Swinney, M.D., Chairman

Plaintiff's Exhibit 850

5801 OREGON PHYSICIANS' SERVICE
SUPERVISORY COMMITTEE FOR
MULTNOMAH COUNTY

Meeting, September 27, 1948 6:30 p.m., Mallory Hotel

Attending: Drs. R. H. Swinney, Chairman, R. H. Kaufman, T. J. Pasquesi, Guy R. McCutchan, H. F. Riedel, and W. C. Reiner.

Dr. A. C. Kirchoff was present as the Committee's guest. O.P.S. Administrative Personnel present: G. M. Montgomery, C. W. Kincaid, T. H. Hammond, W. A. Sundberg, and Joseph E. Harvey, Jr.

It was moved, seconded, and carried to dispense with reading the minutes of the Committee's August 30, 1948 meeting, inasmuch as Committee members had previously received copies of the Minutes by mail.

Dr. A. C. Kirchoff inquired on behalf of several M. D. Anesthetists practicing in Multnomah County as to their becoming cooperating O.P.S. physicians, and as to what schedule of fees would be applicable to their services. After discussion, the Management was authorized to attend the October 13, 1948 meeting of the Oregon State Society of Anesthesiology, and to explain the cooperating agreement as well as the anesthetist fee schedule adopted by the Committee at its last meeting. In addition to the above schedule, the Committee authorized payment for one preoperative and one post-operative visit by the anesthetist to be paid for at the regular O.P.S. rates.

A letter from Dr. C. I. Drummond, Secretary, of Oregon Physicians' Service to Dr. R. H. Swinney, was read. The letter was in answer to the Committee's previous recommendations:

1. That the Board of Directors repurchase the membership stock and cancel the cooperating agreement of Dr. R. B. Evans.

2. That the provision for "annual physical examinations" be deleted from O.P.S. standard contracts.

It was noted that the Board of Directors had asked Dr. Evans to return his membership stock and cooperating agreement; and had indicated that the annual physicial examination would be deleted from standard contracts as

soon as possible and at such time as would not unduly disrupt existing O.P.S. contracts.

It was moved by Dr. R. H. Kaufman, seconded by Dr. Guy R. McCutchan, and unanimously carried to recommend to the O.P.S. Board of Directors that it give serious consideration to altering O.P.S. Employe Group Contracts in a manner that would require the subscriber to pay directly to his physician the cost of the first visit in any single illness.

It was moved by Dr. Guy R. McCutchan, seconded by Dr. T. J. Pasquesi, and unanimously carried to recommend to the O.P.S. Board of Directors that Employe Group Contracts be altered in a manner to provide that subscribers to these contracts with net taxable incomes in excess of $6,000 per year be placed on an "indemnity" basis, the payments by O.P.S. on behalf of such subscribers to be considered as "allowances" toward the physician's total charge.

The Committee examined the last six month's bills from ten O.P.S. cooperating physicians who are shown on the published list as "Surgeons". It was informally determined that there was no occasion to question the listing of these cooperating physicians as "Surgeons".

5802 The Management reported that it had notified all cooperating Radiologists and Dermatologists concerning the fee schedule change pertaining to superficial x-ray therapy (See Minutes of August 30, 1948), and had notified the major Portland hospitals concerning the change in O.P.S. policy with respect to "non-emergency, outpatient x-ray services" (See Minutes of August 30, 1948). It was reported to the Committee that two cooperating Dermatologists objected to the fees for superficial x-ray therapy when used in the removal of epithelioma, and further, to the change in fee schedule being made effective September 1st, since they had not been notified until September 23rd. The Committee established a flat fee of $40.00 for "EPITHELIOMA, REMOVAL OF", and authorized Management to make the change in fees for superficial x-ray therapy effective October 1, 1948, rather than September 1, 1948.

Dr. T. J. Pasquesi reported that in accordance with the Committee's previous request, he had discussed with Dr. Joseph Amato the principles under which O.P.S. payments are made to cooperating physicians.

Mr. W. A. Sundberg explained a financial report for the Multnomah County Division of O.P.S. covering operations during August, 1948. It was noted that the general financial

picture of the Multnomah County Division appeared to be considerably improved over July, 1948.

It was informally agreed that each member of the Committee should invite one cooperating physician to be his guest at the next Committee meeting.

Management explained a legal opinion in which it was concluded that if the business office of O.P.S. desired access to hospital chart records it would be necessary to secure both the subscribed's and his attending physician's authorization. It was moved, seconded, and carried to recommend to the O.P.S. Board of Directors that O.P.S. contracts be altered in such a manner as to provide the above mentioned authorization from subscribers at the time they initially come under O.P.S. contracts.

It was moved, seconded, and carried to recommend to the O.P.S. Board of Directors that it seriously consider requesting all hospitals that cooperate with O.P.S. to grant a discount on hospital bills; with the alternative in the event the hospitals reject such a request, of altering O.P.S. contracts in such a manner as to provide that payment for hospital services be made directly to O.P.S. subscribers.

The Committee authorized management to send a letter to cooperating physicians in Multnomah County outlining exactly what the present "annual physical examination" clause includes, and asking their cooperation in limiting O.P.S. liability for these examinations to exactly what is specified.

Claims:

1. In answer to Management's question, the Committee established the policy that no additional allowance should be made for a strangulated hernia, over and above the listed fee for hernia repair.

2. Charles B. Lamb — Dr. W. B. Holden

The Committee determined that Mr. Lamb's thyroid condition predated his membership in O.P.S. and as such was not subject to benefits.

3. E. K. Clarke — Dr. J. Otto George

The Committee authorized payment of Dr. George's services in the amount of $25.00.

5803 4. Maria Turavani — Dr. W. L. Kelsey

The Committee determined that although a definite diagnosis had not been made in Miss Turavani's case that

O.P.S. had in fact given her a full year's treatment for her illness which began in January, 1944, and that O.P.S. should no longer be responsible for care of her abdominal symptons.

There being no further business the meeting was adjourned.

(Signed) ALLEN M. BOYDEN M.D.
Acting Chairman.

Plaintiff's Exhibit 851

5804

L. M. SPALDING, M. D.
EYE, EAR, NOSE AND THROAT
14 OSBURN-O'BRIEN BUILDING
ASTORIA, OREGON

July 6, 1936

Prudential Hospital Association
Morgan Building
Portland, Ore.

Dear Sirs:

Please refer to my letter of April 27, in which I requested that my name be left off your staff but, in which I agreed to act as consultant in eye, ear, nose and throat conditions to other members of your staff when requested. At this time, I wish to request that my name be omitted from your list.

Very truly yours,

(Signed) L. M. SPALDING

LMS/BB

Plaintiff's Exhibit 852

5805

Astoria, Ore. Sept. 14, 1936.

Dr. A. E. King,
Prudential Hospital Ass'n.
Portland, Oregon.

Dear Dr. King:

Upon seeing several of the City of Astoria employees today, we learn that the subject of whether to retain the Prudential contract comes up at every meeting of the City Employees Assn. for discussion and that the laxity of doctors willing to serve is the primal point at issue. Mr.

Hansen of the Police Dept. stated that several doctors have refused to give service; that even a chiropodist who corrected his wife's foot, refused to accept the Prudential Hospital ticket or to send in a bill but insisted upon being paid in cash. Dr. Rafferty does not seem to be much improvement to the situation.

Mr. Hansen of the Police Dept. requested that a letter over your signature be sent to the President of the City Employee's Assn. Mr. H. M. McAllister, to the effect that the Prudential will take care of the individual members' bills rendered by doctors serving them until such time that this doctor situation is properly cleared up in Astoria. Said letter should reach Mr. McAllister by not later than Friday, the 17th, the date of their next meeting. If 5806 something like this is not done, we will undoubtedly lose the City of Astoria contract within the next 30 days.

Enclosed find application covering the daughter of Commissioner, Mannila. We saw both parents and the daughter in this connection. She is attending high-school at present. Her contract is to be effective from the middle of the month.

Yours very truly,

OSTROM & EDDY

P. S.
Calling on the C. & H. Logging Co. tomorrow.

P. S.#2
Saw Mr. Osburn and rescued the n. s. and will return the same properly laundered by Troy.

O & E

5807 PRUDENTIAL HOSPITAL ASSOCIATION
General Offices, Portland, Oregon

Contract No..... Class.....

.....

(Above this line for use of office only)

(Below this line to be filled in by Agent with ink or indelible pencil only)

My name is RACHEL R. MANNILA
(Give first name in full, not initial)

4202 6

My Residence Address is 1231 ALAMED AVE.
(Give Street and No.)

ASTORIA (City or Town) CLATSOP (County) ORE. (State)

My Age is 16 Years; Height 5 Ft. 5½ In.; Weight 148 Lbs.; Race WHITE

Employed by STUDENT Located at ASTORIA ORE.
IN CONNECTION WITH CITY OF ASTORIA

I have not had or am I now suffering from tuberculosis, rheumatism, paralysis, hernia, nor any chronic or periodical mental or physical ailment or disease, nor have I defect in hearing, vision, mind, or body, except as herein stated.

.....

Class of Contract INDIVIDUAL WITH CITY CONTRACT

Collection Date.....

Collection Address EFFECTIVE SEPT. 15/36

Amount of Advance Dues Paid $ NIL Months.....

Dated at ASTORIA ORE. this 14TH day of SEPT. 1936

Signature of Applicant RACHEL R. MANNILA
FANNIE MANNILA

(Be sure to read this Agreement before signing)

I recommend the acceptance of this Application
J A OSTROM & W H EDDY
(Agent)

I hereby waive treatment for.....
.....
now existing, and agree to pay the doctor who shall treat me for the above, and further that no expense whatsoever, caused by the above Complaint, shall be charged to the Prudential Hospital Association.
Signature of Applicant.....

.....

C-1-3

Plaintiff's Exhibit 853

5808 September 17, 1936.

City of Astoria Employees Association
Astoria, Oregon.

Attention Mr. H. M. McAllister, President

Gentlemen:

Upon receipt of a letter from Messrs. Ostrom and Eddy in regard to the doctor situation in Astoria we wish to voice our side of the matter in a way in which we believe you will realize the situation we have been placed in as a result of the manner in which some of the doctors there have received a few of the members of the City of Astoria Employees Association, and in all fairness withhold any drastic action at this time and cooperate with us until such time as this condition may be settled to our mutual satisfaction.

It is true that certain members have been told by several of the doctors that they do not act for us. However these same doctors have in certain instances taken cases for us and received payment direct from our office and have told us that they would act for us but did not wish their names to appear on printed lists.

We are asking that whenever possible the members see either Dr. Jasper, Dr. Rafferty a new doctor in Astoria, or Dr. H. A. Hartman. It will be impossible, however, to sanction the proposal that any member be allowed to go to any doctor of his choosing, pay the bill for these services personally and look to this office for reimbursement as this could lead to nothing but confusion and dissatisfaction and would not be tolerated by any Association. On my last trip to Astoria I had a talk with Drs. Smith and Kullberg and at that time they were willing to act for us and have not signified since that they did not wish to do so. Dr. Fowler has taken cases for us, billed us direct and received payment. I certainly do not understand the implication that Dr. Gormley has taken the stand that he does not take our cases as he has billed us for services every month since the contract went into effect and has received a check from our office in full as per bill.

In-as-much as the dissension seems to be not so much a matter of lack of service but a misunderstanding between the various doctors I am asking that you withhold judgment until I am able to be in Astoria, which will be within a week or ten days, and interview the doctors personally,

whereupon I feel certain that the difficulties may all be adjusted amicably.

Respectfully yours,

A. E. King, M. D.
President.

Plaintiff's Exhibit 854

5809 THE CITY OF ASTORIA, OREGON

MAYOR
J. C. TEN BROOK

COMMISSIONERS:
LLOYD VAN DUSEN
ANTON SORENSEN

COMMISSIONERS:
WILLIAM MANNILA
DR. W. C. LOGAN

CITY MANAGER
JAMES O. CONVILL

November
17th
1936

Prudential Hospital Association,
Morgan Building,
Portland,
Oregon.

Attention *Dr. A. E. King, President*

Gentlemen:—

The City of Astoria Employees Association have petitioned the City Council of the City of Astoria, Oregon to take steps to withdraw from their contract with the Prudential Hospital Association, and the City Council at their regular meeting held on November 16th, 1936 have granted their request.

Therefore, please accept this letter as notification of the City's desire to withdraw from the contract now in force.

Very truly yours,

CITY OF ASTORIA

by (Signed) O. K. Atwood
CITY AUDITOR

November 18, 1936.

Mr. O. K. Atwood,
City Auditor,
Astoria, Oregon.

Dear Mr. Atwood:—

This acknowledged receipt this day that you wish to cancel the contract with us for Hospital Association procetion.

The contract states that either party must give thirty days written notice before the contract can be cancelled. However if it is the wish of the Employees Association to have the contract cancelled as of December first, it will be entirely satisfactory with my association and you may refer to this letter as authority to cancel the contract as of that date.

Kindly advise me your wishes in this matter,

Yours very truly,

PRUDENTIAL HOSPITAL ASSOCIATION.

by .....
President.

AEK/LM

Plaintiff's Exhibit 855

5810

DR. LESLIE S. KENT
843-44-45 Miner Building
Eugene, Oregon

PHYSICIAN AND SURGEON

December 2, 1937

Prudential Hospital Association
Morgan Building
Portland, Oregon

Gentlemen:

After the first day of January, 1938, I will be unable to care for any patients insured under your hospital association contract.

Yours very truly,

(Signed) LESLIE S. KENT
Leslie S. Kent, M.D.

LSK/ht

5811 G. S. BEARDSLEY, M. D., F. A. S. C.
PHYSICIAN AND SURGEON

CHARLES E. HUNT, M. D., F. A. S. C.
PHYSICIAN AND SURGEON

WOMEN'S AND CHILDREN'S CLINIC
Obstetrics, Diseases of Women and Children
Suite 331-332 B, Miner Building
Office Phone 648
EUGENE, OREGON

November 12, 1937

Prudential Hospital Association
Morgan Building
Portland, Oregon

Gentlemen:

This is to inform you that on and after January 1, 1938 I will be unable to care for any patients covered by contract of your hospital association.

Sincerely yours,

(Signed) CHARLES E. HUNT
Charles E. Hunt, M.D.

CEH: S

5812 HARRY W. TITUS, D. M. D.
627-8-9 Miner Building
Eugene, Oregon

Feb. 11, 1938.

A. E. King, M.D., President,
Prudential Hospital Assoc.,
Morgan Building,
Portland, Oregon.

Dear Dr. King:-

Your letter of Feb. 9th., with check enclosed covering fee for recent work in this office for your Association, received.

May I say that we appreciate very much your attitude with respect to central services under your contract and we will at all times be happy to give your members the full benefit of every bit of ability we have. We have refused to work for most of the other hospital associations because of their

"pinch-penny" methods and unwillingness to allow any latitude in professional judgment.

Thanking you very much, I am,

Very truly yours,

(Signed) H. W. TITUS
Dr. H. W. Titus

HWT/ET

5813

A. O. WALLER, M. D.
EUGENE, OREGON

December 1, 1937

Prudential Hospital Association,
Morgan Bldg;
Portland, Oregon.

Gentlemen:

After Jan. 1, 1938, I will be unable to extend medical services to those comming under your contract.

Yours truly,

(Signed) A. O. WALLER
A. O. Waller, M.D.

aow:s

5814

PHYSICIAN
SURGEON

ALVIN F. SETHER, M.D., F.A.C.S.
130 East Broadway
EUGENE, OREGON

October 21, 1938

Prudential Hospital Ass'n
Morgan Building
Portland, Oregon

Gentlemen:

We are returning your check in the amount of $22.00. According to the ruling of the Lane County Medical Society, no physician is supposed to accept these contract cases. Therefore, these two patients were accepted as private cases and billed as private patients, and are personally responsible to us for their accounts.

If Mr. & Mrs. Douglas are entitled to any compensation, it should be sent direct to them.

Yours truly,

A. F. Sether
By (Signed) M. Waltz

5815

Carl W. Robbins, M. D.
410-15 Tiffany Building
Eugene, Oregon

November 23rd
1937

Prudential Hospital Association
Morgan Bldg.,
Portland, Oregon.

Gentlemen:

After January 1st 1938, I will be unable to treat patients under contract to your association.

Very truly yours

(Signed) Carl W. Robbins

CWR/nm

5816

A. H. Ross, M. D.
Internal Medicine
Miner Building
Eugene, Oregon

December 3, 1937

Prudential Hospital Association
Morgan Building
Portland, Oregon

Dear Sirs:

This is to notify you that beginning on and after January 1, 1938, I will not perform any medical services for the Prudential Hospital Association.

Yours truly,

(Signed) A. H. Ross
A. H. Ross, M. D.

AHR/T

5817

DRS. PEERY & PHETTEPLACE
PHYSICIANS AND SURGEONS
643 MINER BUILDING
EUGENE, OREGON

November 12, 1937

Prudential Hospital Association,
Morgan Building,
Portland, Oregon.

Gentlemen:

For your information, on and after January 1st., 1938, we will be unable to render medical services to any patients covered by the Prudential Hospital Association contracts.

Very truly yours,

(Signed) H. M. PEERY M. D.

(Signed) CARL H. PHETTEPLACE M. D.
Drs. Peery & Phetteplace.

CHP/LB

Plaintiff's Exhibit 856

5818 M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D.
W. N. Thompson, M. D.
Phone 8964 206 Guardian Bldg.

No. .....

Salem, Ore. 12/8/42

Received of Mr. A. E. Warrick

For Account

Four & no/100 ——————— Dollars

Drs. Findley, Clement, Baum & Thompson

By DA

Amount Paid $4.00

Balance Due $.....

THE PRUDENTIAL HOSPITAL ASSOCIATION

Morgan Building, Portland, Oregon
Day and Night Phone: BEacon 7227

THIS IS TO CERTIFY that Mr. Alwyn Warrick is entitled to all benefits under the Prudential Hospital Association's contract from Dec 1 to Dec 31 1942

• This slip to serve as voucher and attached to monthly statements by the physicians, surgeons and dentists. A new slip will be issued by employer as required.

MONMOUTH CO-OPERATIVE CREAMERY AND WAREHOUSE COMPANY

By (Signed) RUTH HICTERDEARD

---

701 N. Cottage St.
Salem, Oregon
December 11, 1942

The Prudential Hospital Association
Morgan Building, Portland, Oregon

Gentlemen:

Enclosed is receipt for $4.00 for eye treatment for my husband; also his certification of contract for the month of December, 1942. As I previously wrote you, this firm does not accept the Prudential Hospital Association membership.

I will appreciate your reimbursing him for the above mentioned amount.

Yours truly,

(Signed) MRS. A. E. WARRICK
Mrs. A. E. Warrick

AW:m

Encls. 2

Plaintiff's Exhibit 857

5819 C. W. WALKER, *Pres.* GEO. SCOFIELD, *Treas.*
CLEM KNOPP, *Vice-Pres.* ANTON RIESS, *Rec. Sec.*
W. LOUIS ZONKER, *Fin. Sec.*

LUMBER AND SAWMILL WORKERS UNION
LOCAL No. 2805
AMERICAN FEDERATION OF LABOR.
A. F. of L.

KLICKITAT, WASHINGTON

Feb. 27, 1944.

Prudential Hospital Association
339 Morgan Building
Portland, Oregon

Gentlemen:

At our last regular meeting there were numerous complaints as to the Doctors at The Dalles Hospital, it seems there is some missunderstanding as regards to the Hospital contract, it was stated that the Doctors expect the patients under the Hospital Association to to take care of their bills and then send them in to the Hospital Association for refund, there were also other complaints.

It was therefore unanimously voted that the Recording Secretary be instructed to write to the Hospital Association and request that Mr. J. A. Ostrom be sent to Klickitat so that he can explain this matter to the membership at our next regular meeting, scheduled for March 8th. 1944. (meeting begins 7.00 P. M.)

I would like to add that I personally beleive this matter should receive your immediate attention.

Awaiting your early reply regarding this matter, I remain

Sinserely yours

(Signed) ANTON RIESS
Anton Riess, Rec. Sec.

5820 March 1, 1944.

Anton Riess,
Recording Secretary
Local No. 2805
Klickitat, Washington.

Dear Mr. Riess:

We are in receipt of your letter of February 27, and are certainly very surprised at your statement that the doctors at The Dalles Hospital expect the patients to pay their own bills, then send them to the Association for a refund.

This is certainly the first we had heard about it, and we receive bills every month from The Dalles Hospital and also from the doctors in the Clinic. The bills for December from The Dalles Hospital were 227.00. Last month we paid bills to Doctors Reuter, Thompson and Griffith, and other months all of the doctors have seen patients from Klickitat and billed us. Also, we receive bills every month from the Mid Columbia Hospital and Dr. Morse.

Kindly advise me of any specific case, the name of the employee and the nature of the trouble and the name of the doctor that asked for payment from the patient, in place of billing us.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. KING, M. D.
President.

AEK:c

Plaintiff's Exhibit 858

5821 C. W. WALKER, *Pres.* GEO. SCOFIELD, *Treas.*
CLEM KNOPP, *Vice-Pres.* ANTON RIESS, *Rec. Sec.*
W. LOUIS ZONKER, *Fin. Sec.*

LUMBER AND SAWMILL WORKERS UNION
LOCAL NO. 2805
AMERICAN FEDERATION OF LABOR
A. F. of L.

KLICKITAT, WASHINGTON

March 1, 1944

A. E. King, M.D.
Prudential Hospital Association
Portland, Oregon.

Dear Sir:

Refering to your letter of March 1, 1944, werein you request more information, and a specific case.

First of all I would like to reiterate what I mentioned in my last letter to you, that the Doctors at The Dlles Hospital will not accept the slips or Hospital tickets, this was substantiated by two members of this Local.

I am enclosing the Hospital slip as issued to Mr. M. A. Bennett, this man went to the Dalles Clinic to see Dr. Thompson, at the conclusion of his call Mr. Bennett handed Dr. Thompson this slip which was refused by him, he asked this man to pay the cashier, and I am also enclosing this receipt, this Doctor further stated that non of the Doctors of the Dalles Hospital would accept these slips in the future, that patients are supposed to pay their fees and then send them in to the Hospital Association for reimbursement, another member of this Local stated practically the same thing as Mr. Bennett regarding the situtation at The Dalles Hospital, this member was J. W. Apperson.

Will you kindly reimburse Mr. Bennett, and I would like to add that the members of this Local would like some explanation regarding this matter, you made no mention of my request in my last letter regarding Mr. J. A. Ostrom.

Hoping that this matter can be clarified in the near future, I remain,

Sincerely yours

(Signed) ANTON RIESS
Anton Riess, Rec. Sec.

Plaintiff's Exhibit 859

5822 P. S. I did not mail my letter Sat. night to the union man—thought I would wait until after you had rec'd the copy and if you did not like it you could phone me. so guess now I will not mail it until after I get your reaction to this letter.

(Signed) P. B. C.

5823 DRS. REUTER, THOMPSON, COBERTH & GRIFFITH

MEDICAL DIRECTORS AND SURGEONS TO THE DALLES HOSPITAL

THE DALLES, OREGON

J. A. REUTER, M. D.
FRED F. THOMPSON, M. D.
THOMPSON COBERTH, M. D.
THOMAS E. GRIFFITH, M. D.
W. R. TAYLOR, M. D.
PAUL R. VOGT, M. D.

OFFICE
THE DALLES CLINIC BLDG.
TELEPHONE 42

March 17, 1944

Prudential Hospital Association,
Morgan Building,
Portland, Oregon.

Gentlemen:

This is to inform you that the Board of Directors of The Dalles Clinic, at a meeting held February 20, 1944, adopted a resolution providing that on and after said date no charges for medical services would be made to any lay owned hospital services. Since the resolution was adopted all charges have been made direct to Patients' accounts therefore no statements will be sent to you covering any charges which may have been made to subscribers to your service.

Very truly yours,

THE DALLES CLINIC

(Signed) F. W. SIMS
By F. W. Sims, Office Manager.

Plaintiff's Exhibit 860

5824 April 1, 1944

Anton Riess,
Recording Secretary
Local No. 2805
Klickitat, Washington.

Dear Mr. Riess:

Enclosed will find a copy of my letter to the Dalles Clinic, which is self-explanatory. As I state in the letter to them, I received their notification yesterday and it was dated March 17.

As I also stated, as far as our Association is concerned, if the employees wish to be inconvenienced by paying The Dalles Clinic direct and obtaining an itemized statement and also the nature of the trouble for which they were treated, they will be reimbursed by our Association. As I also stated in the letter, we have the right at any time to notify the employees that the services of the Dalles Clinic will no longer be available.

Mr. Ostrom is leaving today for Klickitat and will contact you.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. King, M.D.
President

AEK:pc
encl.

Plaintiff's Exhibit 861

5826 April 1, 1944.

J. Neils Lumber Company
Attention: Mr. Hugo Schmidt.
Klickitat, Washington.

Dear Mr. Schmidt:

Mr. Ostrom is leaving today for Klickitat and will discuss with you the several problems which have arisen concerning our contract. Am enclosing a copy of my letter to The Dalles Clinic, In The Dalles.

Have also mailed Anton Riess, Secretary of the Union, a copy of my letter to the doctors of the Clinic.

I think it would be very nice, Mr. Schmidt, sometime when you are in Portland and have time, if you would call and see me.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. King, M.D.
President.

AEK:pc
encl.

Plaintiff's Exhibit 862

5827 April 1, 1944.

The Dalles Clinic
Attention: Mr. P. W. Sims, Office Manager
The Dalles, Oregon.

Dear Mr. Sims:

Your letter dated March 17, 1944, I found on my desk yesterday when I returned from a ten day trip. I note that you state that, "all charges will be made direct to patient's accounts therefore no statements will be sent to you covering any charges which may have been made to subscribers to your service."

Knowing that this had been the policy advised by the State Medical Society for the past several years, I felt sure when Dr. Coberth was honored by the physicians and surgeons of Oregon, by being elected President of the State Medical Society, that it would be necessary for him to discontinue billing us direct and am not surprised that his associates in The Dalles Clinic took the same attitude. I consider it very nice of them, indeed, out of respect for their colleague.

It has always been our policy to give the employees of the different mills protected by our service, a free choice of doctors in adjacent cities and towns, although the contract states that this service shall be "only by physicians, surgeons and specialists appointed by the Association for this purpose."

As far as we are concerned we see no reason why the employees of the J. Neils Lumber Company cannot continue to have the free choice of physicians in The Dalles, including the physicians and surgeons in your Clinic, if in billing them or in giving them a receipt, you itemize the charges and state the nature of the trouble on the bill

or on the receipt given them. This matter we will take up with the Union of the J. Neils Lumber Company, and if the employees who wish to consult the physicians of the Dalles Clinic are willing to be put to the inconvience of paying their bill and obtaining an itemized receipt, they can still have a free choice of doctors in The Dalles, otherwise we would of course advise them that the services of the physicians and surgeons of The Dalles Clinic will be no longer available.

5828 I wish to take this opportunity of thanking the doctors of The Clinic for the very efficient service they have given the different employees who have come to them in the past, and am very sorry there could be a possibility of any break in the harmonious relations which have existed over a period of many years.

Very truly yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. F. King, M. D.
President.

AEK:pc

[COPY]

Plaintiff's Exhibit 863

5829 July 9, 1946

Abscess in right upper eyelid.
Drainage of: $5.00

Paid
7/9/46
B

(Signed) W. H. FONTNER, M.D.

4218

5830 (Envelope)

CENTRAL WILLAMETTE LUMBER COMPANY
PHILOMATH, OREGON

(Cancelled 3 cent stamp)

(Postmarked)

Philomath
JUL
23
4 PM
1946
Oregon

Prudential Hospital Assoc.
Morgan Bldg.
Portland, Oregon

5831 THE PRUDENTIAL HOSPITAL ASSOCIATION

Morgan Building, Portland, Oregon
Day and Night Phone: BEacon 7227

THIS IS TO CERTIFY that MR. ROBERT ANNUNZIO is entitled to all benefits under the Prudential Hospital Association's contract from July 1 to Aug 1 1946

• This slip to serve as voucher and attached to monthly statements by the physicians, surgeons and dentists. A new slip will be issued by employer as required.

CENTRAL WILLAMETTE LBR CO.
COMPANY

By (Signed) CHAS WIGLE — SUPT

Form 3 36565

Plaintiff's Exhibit 864

5832 V

Howard Perry
Simpson Lbr

900
1050
250
500
300
3000*

5833 Oregon City, Oregon, July 2 1946

Received of Howard Perry

Three & no/100——————————Dollars. $3.00

Office Call

DRS. STRICKLAND
By (Signed) M. P. JAMES

A 2888

M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 6/14/ 1945

Received of Howard Perry

Nine & no/100——————————Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signed) G. E.

For In full to date

Amount Paid $9.00

Balance Due $.....

M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 5-12 1945

Received of Howard Perry

Ten & 50/100——————————Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signed) L. R.

For account

Amount Paid $10 50/100

Balance Due $.....

M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 5-4 1946

Received of Howard Perry

Two & 50/100——————————Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signed) L R

For account

Amount Paid $2 50/100

Balance Due $.....

M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 6-17-1946

Received of Howard Perry

Five and no/100——————————Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signature illegible)

For One acct. in full

Amount Paid $5.00

Balance Due $.....

Plaintiff's Exhibit 865

5834 M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 6/17 1944

Received of J. A. Hiebert

Two & 50/100—————————— Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signed) G. E.

For Treatment

Amount Paid $2.50

Balance Due $.....

M. C. Findley, M. D., F. A. C. S.
L. O. Clement, M. D., F. A. C. S.
W. W. Baum, M. D. T. H. Dunham, M. D.
W. N. Thompson, M. D.
206 Guardian Building Phone 8964

No. .....

Salem, Oregon, 8-18 1944

Received of J. A. Hiebert

Ten ——————————— Dollars

Drs. Findley, Clement, Baum, Thompson & Dunham

By (Signed) L. R.

For five treatments for eyes—cyst lanced

Amount Paid $10.00

Balance Due $.....

DIMENSION PLANK TIMBERS

SIMPSON LUMBER COMPANY
Manufacturers of
PACIFIC COAST LUMBER
Telephone: Independence 34-F-24
KINGS VALLEY, OREGON

August 28, 1944

Prudential Hospital Association
Morgan Building
Portland 5, Oregon

Gentlemen:

Mr. Jacob A. Hiebert has handed us the attached receipts for medical services, which he paid because the physician would not accept his hospital ticket. He has asked that we forward them to you and inquire if you will reimburse him. In the event you desire to write Mr. Hiebert, his address is Route #1. Monmouth, Oregon.

Very truly yours,

SIMPSON LUMBER COMPANY

By (Signed) CLINTON M. RUITER by e.b.
Partner

Enc: 2
CMR/eb

Plaintiff's Exhibit 866

5836

IN ACCOUNT WITH
E. W. HOWARD, M. D.
Porter Building

Dec 3—To Dec 23—daily
Visits at Corvallis Gen. Hosp.

To Balance As Per Last Statement - - - -
To Professional Services From ..... 19.... To .....19.....

Nov 28—Jan 2—office visits
Neuritis

Total - - - -

Received Payment
.....

Credit - - - -

Balance Due - - 86 50.

(Charles)

(Signed) C. L. GENTRY
Philomath, Ore.
Corvallis, Oregon, ... 19.....

Accounts due when service is rendered
Itemized statement furnished if desired

Feb. 15, 1946.

Mr. Charles Gentry
Philomath, Oregon.

Dear Mr. Gentry:

Enclosed kindly find our check for $51.75, to reimburse you for office and hospital calls by Dr. E. W. Howard of Corvallis.

In accordance with the terms of the contract the Association is paying this bill at the rate comparable with the usual fees paid by the State Industrial Accident Commission, which would be $61.75.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSN.

Polly B. Cheney, Office Mgr.

Plaintiff's Exhibit 867

5837 THE PRUDENTIAL HOSPITAL ASSOCIATION

Morgan Building, Portland, Oregon
Day and Night Phone: BEacon 7227

THIS IS TO CERTIFY that Mr. G. I. Botkin is entitled to all benefits under the Prudential Hospital Association's contract from July 1 to July 1 1946

• This slip to serve as voucher and attached to monthly statements by the physicians, surgeons and dentists. A new slip will be issued by employer as required.

W. V. WILSON LBR CO.

By (Signed) STAN HART.

FORM 3 36565

5838 3/7/46

Acute upper respiratory tract infection 3.00

Paid
3/7/46

(Signed) W H FORTNER M. D.
Corvallis Ore

5839 (Envelope)

W. V. WILSON LUMBER COMPANY
PHILOMATH, OREGON

(1 cancelled 3 cent stamp)

(Cancellation mark)

Philomath
APR
5
11 AM
1946
Oregon

Prudential Hospital Association
Morgan Building
Portland, Oregon

OK

Plaintiff's Exhibit 868

5840 Mr. Ben Rohmiller
535 N. 3rd St.
Corvallis, Oregon.

Dear Mr. Rohmiller:

Enclosed will kindly find our check for $40.00, to reimburse you for the amount you paid Dr. W. H. Fortner for the removal of your tonsils last August.

We wish to advise you Mr. Rohmiller that your letter of February 23, was the first notification we have had that your tonsils have been removed. We had not received a letter from you nor had Dr. Fortner billed us.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. KING, M. D.
PRESIDENT

AEK:PC
enc.

5841 Corvallis, Oregon, 2/23, 1945

BEN ROHMILLER

IN ACCOUNT WITH
W. H. FORTNER, M. D.
EYE - EAR - NOSE - THROAT

SUITE 209 CREES BUILDING TELEPHONE 290

FOR PROFESSIONAL SERVICES

Tonsillectomy—Aug.	$40.00

ITEMIZED STATEMENT FURNISHED IF DESIRED